Contemporary Southeast Asia 1996 Vol. 18 No. 1,3

130661

Stock Verification-2024

CONTEMPORARY SOUTHEAST ASIA

A QUARTERLY JOURNAL OF INTERNATIONAL AND STRATEGIC AFFAIRS

199

Articles

The Dynamics of Taiwan's Democratization and Crisis in the Taiwan Strait
CHANG PAO-MIN

Thinking Globally from a Regional Perspective: Chinese, Indonesian, and Malaysian Reflections on the Post-Cold War Era
ROSEMARY FOOT

A Paradigm of Autonomy: The Hong Kong and Macau SARs
ARNALDO GONÇALVES

ASEAN Dispute Management: Implications for Vietnam and an Expanded ASEAN
HOANG ANH

The Role of Government
of Official Development As
PHAM HOANG

130661

Book Reviews

Volume 18, Number 1, 2
3
June 1996

ISEAS INSTITUTE OF SOUTHEAST ASIAN STUDIES

Contemporary Southeast Asia is a journal that specializes in the politics, international relations and security-related issues of Southeast Asia and its wider geostrategic environment. Apart from serving as a reliable and up-to-date source of information on various events and trends in regional politics, international relations and security questions that affect Southeast Asia, CSEA also publishes the results of original research on these subjects by both scholars and other interested persons.

© 1996 Institute of Southeast Asian Studies

ISSN 0129-797X
MITA(P) 096/03/96

Reprint permission may be obtained by writing to the Managing Editor, Institute of Southeast Asian Studies, Heng Mui Keng Terrace, Pasir Panjang, Singapore 119596 (Tel: 778-0955, Fax: 775-6259).

The responsibility for facts and opinions presented in the contents of CSEA rests exclusively with the individual authors. Their interpretations do not necessarily reflect the views or the policy of the Editorial Committee, the Regional Advisory Committee, the International Corresponding Members, the sponsors of CSEA or ISEAS.

Annual Subscription Rates

		Individuals	*Institutions*
Zone I:	Southeast Asia/Japan/Aust/N.Z.	US$29	US$36
Zone II:	Europe/North America	US$35	US$44
Zone III:	Singapore/Malaysia/Brunei	S$46	S$56

These annual rates include postage and delivery by air. Subscription orders and enquiries should be addressed to:

The Managing Editor
Institute of Southeast Asian Studies
Heng Mui Keng Terrace
Pasir Panjang
Singapore 119596

Back issues are available at S$14/US$9, plus postage and handling charges. They may also be obtained from Schmidt Periodicals GmbH, Orsteil Dettendorf, D-83075 Bad Feilnbach, Germany (Tel: 8064-221, Fax: 8064-557).

Contemporary Southeast Asia (CSEA) is indexed in the *International Bibliography of Periodical Literature; International Bibliography of Book Reviews; International Serials Database; Sage Public Administration Abstracts; ABC-Clio Library; PAIS Bulletin; Contents Pages on Asia (INSEAD); Muslim World Book Review; International Political Science Abstracts; Pacific Research; Periodica Islamica; Asian Business Contents; International Bibliography of the Social Sciences; University Microfilm, Inc., and Asia-Pacific Database.*

The contents page and abstracts of articles in the current issue are available on-line on the World Wide Web at:

http://merlion.iseas.ac.sg/csea.html

Typeset by The Fototype Business. Printed by Prime Packaging Industries Pte Ltd.

CONTEMPORARY SOUTHEAST ASIA

QUARTERLY JOURNAL OF INTERNATIONAL AND STRATEGIC AFFAIRS

lume 18, Number 1

June 1996

ticles

e Dynamics of Taiwan's Democratization d Crisis in the Taiwan Strait — CHANG PAO-MIN 1

inking Globally from a gional Perspective: Chinese, Indonesian, d Malaysian Reflections on the t-Cold War Era — ROSEMARY FOOT 17

Paradigm of Autonomy: e Hong Kong and Macau SARs — ARNALDO GONÇALVES 36

EAN Dispute Management: Implications Vietnam and an Expanded ASEAN — HOANG ANH TUAN 61

Role of Government in the ization of Official Development istance in Vietnam — PHAM HOANG MAI 81

k Reviews

n Flashpoint: Security and the an Peninsula
ed by Andrew Mack — *Wookhee Shin* 100

Gulf War: Critical Perspectives
ed by Michael McKinley — *Keith Krause* 104

Pacific: A View on its Role in the World Order
.S. Dobbs-Higginson — *Peter Polomka* 107

Katipunan and the Revolution: oirs of a General
ntiago V. Alvarez — *Vivencio R. Jose* 113

CONTEMPORARY SOUTHEAST ASIA

REGIONAL ADVISORY COMMITTEE

Chai-Anan Samudavanija
Regional Strategic Studies
Programme, ISEAS

Carolina G. Hernandez
President, Institute for
Strategic and Development
Studies, Inc. and
Professor of Political
Science, College of Social
Sciences and Philosophy
University of the Philippines

Kusuma Snitwongse
Director
Institute of Security and
International Studies
Chulalongkorn University
Bangkok

Lau Teik Soon
Singapore Institute of
International Affairs
Singapore

Mohd. Noordin Sopiee
Director-General
Institute of Strategic and
International Studies
(ISIS), Malaysia
Kuala Lumpur

Jusuf Wanandi
Chairman, Supervisory Board
Centre of Strategic and
International Studies
(CSIS)
Jakarta

INTERNATIONAL CORRESPONDING MEMBERS

Han Sung-Joo
Asiatic Research Center
Korea University

Masashi Nishihara
National Defense Academy
Japan

Robert O'Neill
Oxford University

Peter Tarnoff
Council on Foreign Relations
New York

Wang Gungwu
Institute of East Asian Political Economy

CONTEMPORARY SOUTHEAST ASIA

A QUARTERLY JOURNAL OF INTERNATIONAL AND STRATEGIC AFFAIRS

Volume 18, Number 3 December 1996

Articles

Re-engineering ASEAN — M.C. ABAD, JR 237

The 1995 ASEAN Summit: Scaling a Higher Peak — SIMON J. HAY 254

Indonesian Defence Strategy and Security: Time for a Rethink? — ALAN DUPONT 275

Human Rights and Democracy in Indonesia and Malaysia: Emerging Contexts and Discourse — PHILIP ELDRIDGE 298

Constructing the Vietnam War: A Review Article — GREG LOCKHART 320

LIBRARY
Gurukul Kangri Vishwavidyalay
HARDWAR

Book Reviews

Democracy and Development in Southeast Asia By Clark D. Neher and Ross Marlay — *Kenneth Christie* 337

Secret Army, Secret War By Sedgwick Tourison — *Nick J. Freeman* 339

An Emerging China in a World of Interdependence By Yoichi Funabashi, Michel Oksenberg, and Heinrich Weiss — *Sheng Lijun* 342

CONTEMPORARY SOUTHEAST ASIA

REGIONAL ADVISORY COMMITTEE

Chai-Anan Samudavanija
Regional Strategic Studies
Programme, ISEAS

Carolina G. Hernandez
President, Institute for
Strategic and Development
Studies, Inc. and
Professor of Political
Science, College of Social
Sciences and Philosophy
University of the Philippines

Kusuma Snitwongse
Director
Institute of Security and
International Studies
Chulalongkorn University
Bangkok

Lau Teik Soon
Singapore Institute of
International Affairs
Singapore

Mohd. Noordin Sopiee
Director-General
Institute of Strategic and
International Studies
(ISIS), Malaysia
Kuala Lumpur

Jusuf Wanandi
Chairman, Supervisory Board
Centre of Strategic and
International Studies
(CSIS)
Jakarta

INTERNATIONAL CORRESPONDING MEMBERS

Han Sung-Joo
Asiatic Research Center
Korea University

Masashi Nishihara
National Defense Academy
Japan

Robert O'Neill
Oxford University

Peter Tarnoff
Council on Foreign Relations
New York

Wang Gungwu
Institute of East Asian Political Economy

Contemporary Southeast Asia, Volume 18, Number 1, June 1996

The Dynamics of Taiwan's Democratization and Crisis in the Taiwan Strait

CHANG PAO-MIN

The March 1996 crisis in the Taiwan Strait was caused essentially by the internal dynamics of Taiwan's unprecedentedly thorough democratization process since the early 1990s, which had not only led to a rapid localization of the political scene, but has also resulted in a new upsurge of Taiwanese consciousness and separatist inclinations. The increasingly fierce competition between the ruling party, the Kuomintang, and its principal challenger, the Democratic Progressive Party, had further compelled the former to emulate the latter's posture and policies, thereby inevitably alarming and antagonizing Beijing. Unless President Lee Teng-hui, during his new term, convinces Beijing that Taiwan's democratization and Taiwanization processes will not lead to political independence, and at the same time also persuade the Taiwanese people that upholding the one-China principle will not necessarily result in reunification, tension might again rise across the Taiwan Strait.

March 1996 was probably the most eventful and, paradoxically, also the most crisis-ridden month for Taiwan during its forty-seven years of separate existence. On the island, campaigning activities for the first ever direct election of the state's top leaders — president and vice-president — were in full swing, and clamours for, and denunciations of, Taiwan's ultimate political independence also reached unprecedented highs. Around Taiwan and particularly in the Taiwan Strait, war clouds were gathering, as China held three rounds of military exercises in the vicinity. During the first round, four M-9 missiles were fired into waters as close as 20 miles from Taiwan's shoreline. The two subsequent live-firing and amphibious exercises were conducted in large sea areas bordering the middle line of the Taiwan Strait and as close as 10 miles from the offshore islets controlled by Taiwan.[1] As a result, there was a scramble by Taiwanese for foreign currency and gold and a massive exodus of capital out of Taiwan. And the buffeted stock market was stabilized only after a massive injection of government funds. The security and stability of Taiwan had never been in greater danger since 1949. Taiwan was clearly experiencing a crisis.

The Dynamics of Taiwan's Democratization

The crisis situation had in fact persisted ever since June 1995, when Taiwan's President Lee Teng-hui visited the United States. Not only did Beijing cancel all formal contacts with Taipei immediately, but a co-ordinated and sustained campaign of verbal attacks was also launched by the Chinese media against Lee. In the meantime, a series of military exercises began to be held in the East China Sea close to Taiwan. The March 1996 missile firing exercise near Taiwan's two principal harbours and the combined aerial and seaborne exercises close to Taiwan's offshore islets merely represented the culmination of a progressive stepping-up of Beijing's military pressure on Taiwan.

The main question now is: What caused relations between Beijing and Taipei to deteriorate so fast? Taipei claimed that mainland China had been embarrassed and irritated by Taiwan's rapid democratization process, and particularly by the first-ever direct presidential election in the entire history of China. Beijing's military pressure was, therefore, designed to disrupt, sabotage and even stop the presidential election. Clearly, there was some truth in this line of thinking. But it was probably not the whole truth. For one thing, China could not have prevented or stopped any election in Taiwan unless it regained complete control of the island. Besides, any attempt made to disrupt the election could easily have become counter-productive. After all, it was not the first time that Taiwan had held a direct election. The fact is that until the March crisis, Beijing had kept a rather low profile on the issue of Taiwan's presidential election by declaring repeatedly that it was a local event and, as such, the election could not and would not alter the status of Taiwan's leader as a local leader, or Taiwan's status as part of China.

The question then is whether China's claim implied more than was stated, namely, that Taiwan under Lee Teng-hui had forsaken the principle of one China and had moved further away from the cause of reunification. Indeed, Chinese leaders did openly identify Lee and his pro-independence policies as the source of all the troubles in cross-strait relations. Beijing even announced that China's struggle against Lee would not slacken as long as he continued to pursue a separatist policy. Therefore, without explicitly admitting it, Beijing's most recent military exercises were apparently staged as a warning to Lee Teng-hui and all other Taiwanese that China has both the determination and capability to resolve the Taiwan issue by force if necessary.

Clearly, the Chinese argument was not entirely objective either. This is because up to now the Taiwanese government has not declared formal independence; nor has it taken any step in the direction of changing its national flag or national anthem. In fact, it has not even stopped paying lip service to the ultimate goal of China's reunification. Indeed, the cross-strait flow of both people and goods has been rising steadily in the past ten years or so and its volume has never been greater than it is today. After all, it was Beijing, not Taipei, that suspended the semi-official contact in July 1995 and began to rattle its sabre since then.

Nevertheless, if one views the two arguments together, the picture becomes more complete. In other words, there is a direct linkage and a cause-and-effect relationship between Taiwan's democratization process and its propensities towards permanent and formal separation from mainland China. To be more exact, democratization in Taiwan by its very nature has the effect of generating pro-independence orientations and policies, and the presidential election, in particular, could well have constituted the *coup de force* by clearing the final hurdle in Taiwan's drive towards formal independence.

It has been common knowledge that for decades, Taiwanese politics has been controlled by mainlanders which make up only about 25 per cent of the entire population. Although local elections began as early as 1951, martial law was lifted only in 1987 and the national parliament was completely rejuvenated only as recently as November 1992. It was only in 1993 that the Constitution was amended to provide for direct popular election of the president and vice-president. Again, only in December 1994 were the provincial governor and the mayors of Taiwan's two metropolitan areas, namely, Taipei and Kaohsiung, elected by direct popular vote. The holding of the presidential election in March 1996, therefore, represented a culmination of this democratization process.

Thus, although real democratization in Taiwan began only four or five years ago, the pace and dimension of change have been unprecedented. In fact, not only has a major nation-wide popular election been held every single year since 1991, but there has also been a progressive elevation in the level of election, a development that is bound to generate, and has actually generated, an unprecedentedly high degree of political zeal and partisanship on the island. Moreover, since 75 per cent of Taiwan's electorate are native Taiwanese, real and rapid democratization can only mean localization, or Taiwanization, of the political scene. And in freely contested elections, native Taiwanese candidates are not the only ones who have a clear advantage over their mainlander counterparts, but also those candidates who are able to assert or capitalize on their local roots and even arouse the emotions of the voters, often have good chances of winning. And as more and more Taiwanese take up leadership positions at all levels, a Taiwanese-first, or pro-Taiwanese, sentiment also becomes prevalent.

Hence, during the past few years, there has been a new upsurge of Taiwanese consciousness and a Taiwanese identity, or what may be labelled as "Taiwanese nationalism/separatism", which inevitably generates among the Taiwanese an increasingly strong sense of self-assertiveness and a corresponding anti-China orientation. Such a phenomenon and development has been shown not only very clearly in the sudden flourishing of Taiwanese-speaking radio and television programmes and the increasingly widespread — indeed fashionable — use of the Taiwanese dialect by Mandarin-speaking Taiwanese, but also less visibly in the growing tension and discord among the three major ethnic-linguistic groups in Taiwan.

In order to capture the new mood, the ruling party — the Kuomintang (KMT) — and its leaders at all levels have clearly to reorient their posture and policies by identifying themselves increasingly with Taiwan itself and the native Taiwanese, which inevitably entails or results in a steering away, or at least gives the impression of steering away, from mainland China and the cause of reunification.

The rapid growth of Taiwan's largest opposition party — the Democratic Progressive Party (DPP) — during this whole process has exerted further pressure on the KMT to change, as the DPP has posed an increasingly real challenge to the KMT's position as the ruling party. To illustrate, in the 1992 parliamentary election, the DPP was able to capture as many as one-third of the parliamentary seats, the single biggest victory it had ever registered since its inception in 1987. In the December 1993 local election, the DPP won six out of the twenty-three counties and cities and mustered as much as 41 per cent of the popular vote. In the December 1994 gubernatorial elections, the DPP even captured the mayorship of Taipei, Taiwan's capital city. In the gubernatorial race, the DPP candidate, Chen Ting-nan, a relatively unknown figure, also posed a real threat to the KMT candidate, James Soong, a household name, by polling 39 per cent of the popular vote. In the parliamentary elections held in late 1995, the DPP again made new inroads into the KMT's sphere of influence, pulling down the latter's seats to a bare simple majority. And in all these elections, the DPP has been able to obtain at least 33 per cent and at most 44 per cent of the popular vote, a phenomenon which no ruling party can afford to overlook (Table 1).

TABLE 1
DPP Gains in Major Elections, 1992–95

Year and Election	*Popular Votes*	*Seats Won*	*Total Seats*
1992 Parliamentary	31.9%	50	160
1993 County & City	41.0%	6	23
1994 Taipei Mayoral	43.6%	1	1
1994 Gubernatorial	38.7%	0	1
1994 Kaohsiung Mayoral	39.3%	0	1
1995 Parliamentary	33.2%	54	164

SOURCE: *Lian He Pao* [The United Daily] (Taipei), 10 December 1992, p. 1; 28 November 1993, p. 1; 3 December 1994, p. 1; 3 December 1995, p. 5.

It cannot be exaggerated that the DPP has been the single most powerful driving force behind Taiwan's entire democratization process begun in 1991. In fact, the DPP has all along championed the cause for thorough democratization, direct election of the president and all other executive posts. It has also advocated Taiwan's declaration of independence through a national referendum, and rejoining the United Nations as a new state. Moreover, DPP leaders and supporters have always considered the KMT as a foreign regime. They have spared no efforts to promote a distinct Taiwanese identity and have taken pains to distinguish Taiwan and Taiwanese from China and anything Chinese. They have even insisted on speaking only the Taiwanese dialect and singing only Taiwanese songs. Moreover, they have never hesitated to brand all mainlander politicians opposing their platform as proxies, fellow travellers or even spokesmen of Beijing. From time to time, they have even advanced the slogan or hoisted the banner "Chinese Get Out".

Since the DPP is made up overwhelmingly of native Taiwanese, and has all along had its principal base of support at the grassroots level, its programmes and policies have always had an emotive bent that appeals to ordinary Taiwanese voters. The very process of democratization, therefore, has not only led directly to the DPP's rapid growth during recent years, but has also given a further boost to a newly emergent Taiwanese consciousness and fanned Taiwan's separatist tendencies. Indeed, the DPP's posture and policy might well have struck a responsive chord among the KMT's rank and file, which are already predominantly Taiwanese. The rapid growth of the DPP as a credible political force in the 1990s, therefore, has not only furthered the cause of Taiwanese nationalism and Taiwanese independence, but has also compelled the KMT to adopt a policy line increasingly similar to that of the DPP, that is, to promote and uphold a separate Taiwanese identity and, consequently, to steer away from mainland China and the cause of reunification.

Thus, whereas the mutually stimulating and reinforcing effects of democratization and Taiwanization have resulted in a steady augmentation, so to speak, of the self-image, self-confidence, and self-assertiveness of the Taiwanese people as a whole, the very nature of interaction between politicians and voters since the early 1990s and the increasingly fierce contest between the KMT and its principal challenger, the DPP, has also compelled the KMT under Lee Teng-hui to reorient its posture and policies. Indeed, whether to catch up with and capitalize on the prevailing mood, to undercut the DPP's base of support, or to buttress its own position of power, the KMT has had to emulate the DPP and even copy its platforms. And this is exactly what the KMT has done. But the KMT's new posture and policy, once actively publicized, has in turn had the effect of further promoting and solidifying the Taiwanese-first, pro-independence mood, thereby necessitating even more changes in Taiwan's domestic and external policies. Thus, the upsurge of Taiwanese nationalism/separatism and the pursuit of a pro-independence, Taiwanese-first policy are also mutually reinforcing.

From Politics to Posture and Policies

During the past few years, one has witnessed, on both the political and social scenes, a visible reorientation of posture and policies of the ruling party, which to a large extent has been reflected in President Lee's words and deeds. What follows below can at least be seen as an illustration of this general trend.

In early 1992, Lee dropped Hau Pei-tsun, a mainlander, as his premier and replaced Hau with Lien Chan, a Taiwanese. In mid-1992, Lee virtually ordered that support be given to the constitutional amendment providing for direct election of the president. In the same year, the KMT apparently began to slow down the progress of cross-strait relations, and has since consistently rejected direct links with mainland

China. In late 1992, the government established a special committee to investigate the notorious "February 28 Incident" which occurred in 1947 during which thousands of Taiwanese were reportedly massacred by KMT troops following a street riot. The declared purpose of the investigation was to disclose the scale of the massacre and to rehabilitate the victimized.

On 9 February 1993, President Lee in a closed-door meeting with DPP legislators allegedly told them that he was merely "paying lip service to the goal of reunification" and advised them to be patient on matters such as changing the name of the country.[2] On 2 October 1993, President Lee openly declared that the KMT was no longer a "Chinese" Nationalist Party.[3] In late 1993, Lee launched the "rejoining the UN" movement, and declared his determination to challenge the impossible. He also began to refer to Taiwan as "Republic of China on Taiwan" and to speak of "building a big Taiwan" in his public speeches, presumably in order to underscore the separate identity of Taiwan. Since then, Taiwanese leaders have repeatedly declared Taiwan to be a fully-fledged sovereign state entitled to normal international status. Lee, in particular, has taken pains to glorify the Taiwanese spirit of resisting foreign oppression, and has since referred to "Taiwan" and "Taiwanese" more and more frequently and "China" and "Chinese" more and more rarely.

In April 1994, after the "Thousand Islands Lake" incident on the mainland in which twenty-four Taiwanese tourists were robbed and murdered, Lee referred to mainland China as "a country of bandits". In a long interview with a Japanese journalist in May, Lee admitted himself to be a Japanese before reaching the age of 22, spoke of the KMT as a "foreign regime", and also mentioned the necessity of replacing Hau Pei-tsun as premier in 1992 because of his mainlander origins.[4] In October, Lee in a television speech on a major national occasion used only the Taiwanese dialect instead of the official spoken language, Mandarin, which was the first time that a top leader had ever done so. Since then, Lee has used the Taiwanese dialect more frequently on public occasions.

In April 1995, Lee declined to respond positively to Jiang Zemin's eight-point peace proposal made in February 1995 and, specifically, insisted on meeting Chinese leaders only on international occasions and on China's renunciation of the use of force against Taiwan as a precondition for any high-level peace talks.[5] In mid-1995, Lee openly claimed that the KMT regime was only two years old, that is, dating from his substantiation as Party Chairman in 1993. And throughout 1995, a sort of thinly veiled but officially condoned "hate-Chinese" campaign was staged over television, with a series of Taiwanese-speaking dramas broadcast over government-controlled channels which repeatedly depicted mainlander Chinese as dishonest, arrogant, and oppressive, in contrast to the cast of invariably humble, honest, hard-working Taiwanese.

In June 1995, Lee visited the United States in a semi-official capacity following similar trips to the Middle East and Southeast Asia in early 1994. It was also the first time Taiwan's top leader was allowed to visit the United States since Washington established diplomatic relations with Beijing. As such, it was hailed in Taiwan as a major breakthrough in Taiwan-U.S. relations.

To sum up, the KMT under the leadership of Lee has implemented virtually all the policies championed by the DPP, with perhaps the only exception of holding a national referendum to declare independence. But many people believe — and it was certainly Beijing's fear — that this final step towards Taiwan's formal independence might well be taken after the presidential election if Lee was elected and got a clear mandate from the people. In any case, the KMT appeared to be more and more indistinguishable from the DPP.

To be sure, all the above developments might have been natural and even inevitable in view of the dynamics of Taiwanese politics in recent years, particularly the increasingly frequent and emotive interaction between politicians and voters, rather than signifying a calculated move towards permanent separation of Taiwan from mainland China on the part of Taiwan's political leadership, or President Lee himself, or both. But clearly, the steady growth of Taiwanese nationalist/separatist sentiments could also acquire a momentum that would render pro-independence policies irresistible. At any rate, recent developments in Taiwan were disturbing to Beijing and could not but have created in Beijing the impression that Taiwan under the KMT leadership was moving further and further away from the principle of one China and the course of reunification.

As a matter of fact, these same developments have not only antagonized Beijing, but has also alarmed and alienated certain quarters of Taiwanese society. Hence, the biggest open split within the KMT leadership since 1928, with the defection of two vice-chairmen in November 1995, and the growing tension between native Taiwanese and mainlanders. It was certainly no accident that public opinion polls conducted in the course of 1995 repeatedly showed that not only were the majority of people polled "uncertain" about Lee's support for the cause of reunification, but also the percentage of people who believed that President Lee actually favoured independence steadily rose.[6] All these have provided Beijing with further evidence that the KMT under Lee was determined to realize an independent Taiwan.

In view of the above, it is the increasingly pro-Taiwanese and apparently pro-independence policies of the KMT and the concomitant rise of anti-China sentiment in Taiwanese society that has alarmed and antagonized Beijing. And China's increasingly strong reaction to developments in Taiwan have clearly revealed not merely its worries about the prevailing political atmosphere in Taiwan, but more importantly, its acute anxieties about what is to come after the presidential election.

For some time during 1994 and 1995, nevertheless, the Chinese appeared to be still hoping that Taiwan would tone down its separatist sentiment and anti-China posture and that the United States could be persuaded to give higher priority to its China ties by going back to the letter and spirit of the three communiqués, or at least encouraging Taiwan to talk to China. The point of no return, however, came when the United States allowed Lee to visit his alma mater, Cornell University, in June 1995. Although the event took place at the request of Taiwan and President Lee did not receive an official reception by the U.S. Government nor participate in any political activities, it could not but enhance Taiwan's status as a separate and independent state and strengthen Lee's stature as an international figure, thereby suggesting to China Taiwan's increasingly blatant collusion with a foreign power to sabotage the cause of reunification. What was worse, in his speech delivered at Cornell, President Lee mentioned Taiwan as many as twenty-eight times, and China, not a single time.[7]

Both China's verbal campaign against Lee and its military exercises in the East China Sea apparently failed to achieve their warning purpose. Not only did the United States step up its delivery of new weapons to Taiwan in the second half of 1995, but Lee also repeatedly brushed off China's military exercises as no more than bluffs that could not be effected in reality. He even ridiculed the People's Liberation Army (PLA) as a hopelessly "commercialized" force incapable of fighting any battles or causing any harm to Taiwan.[8] In October 1995, Lee made no response to Jiang's most recent proposal to visit Taiwan or, alternatively, to invite Lee to visit China. In fact, on 3 November, President Lee told reporters that if he was re-elected, he would surprise Beijing again by taking more overseas trips. In December 1995, Lee spoke in Taiwanese to the students of National Kaohsiung Normal University, again the first time any government leader had ever done so in a public university. One month later, Lee made history again by doing the same thing when he delivered a speech in the high school he had attended back in the 1920s. In January 1996, when he formally launched his presidential campaign, Lee even openly warned the people that to reunify with communist China was to surrender to, and be swallowed by, the latter.[9]

Hence, China's escalation of military pressure on Taiwan in March by holding three more rounds of military exercises almost continuously, and closer than ever before to Taiwan's shores. By exerting new military pressure on Taiwan close to the elections, Beijing apparently sought to demonstrate to Taiwan directly, and to the United States indirectly, that China was serious about its threat to resolve the Taiwan issue, by force if necessary. Specifically, it sought to accomplish two immediate objectives. The first was to warn KMT leaders, in general, and President Lee, in particular, that they had gone far enough and should not venture any further without embarking on a collision course with Beijing. The second objective was to influence the outcome of the election or at least to undermine popular support for Lee by advising Taiwanese voters that Lee was a dangerous politician and that his re-election would bring disaster to Taiwan.

Prospects and Problems

The outcome of the presidential election, to be sure, was a disappointment to Beijing. Not only was Lee Teng-hui elected, but he was also able to muster as much as 54 per cent of the popular vote, a percentage higher than the votes obtained by all the other three candidates combined (Table 2). Taiwan's electorate, therefore, had reacted strongly to China's military pressure by demonstrating their firm support for the incumbent's stance on the issue of China. Three questions must be answered here. Has China's military pressure been counter-productive? If so, will President Lee continue to adopt a high posture and a hard-line policy towards Beijing? And what would China do in such a scenario?

On the basis of the election results, China clearly has not achieved its primary objective, namely, to topple Lee Teng-hui if possible, or at least to undermine his popular support. Indeed, in view of the DPP's impressive performance in all recent elections, Lee's support base could have been considerably lower in the face of challenges from three credible political forces. The KMT was certainly surprised by the unexpectedly high degree of electoral support and attributed it mainly to the negative reaction of the Taiwanese people to China's military *démarche*. In other words, Beijing could not have helped Lee more by flexing its military muscle. Indeed, the nature and timing of China's military exercises could not but have given the general impression that Beijing was inimical to any form of democracy. One can even surmise that it was precisely such implications that had prompted the United States to respond so quickly, thereby turning the crisis in the Taiwan Strait into an international issue almost overnight. By first pushing Taiwan unwittingly into

TABLE 2

Results of the Presidential Election, 23 March 1996

Candidate	*Popular Votes*	*Percentage*
Lee Teng-hui (KMT)	5,813,699	54.00
Peng Ming-min (DPP)	2,274,586	21.13
Lin Yang-gang	1,603,790	14.90
Chen Li-an	1,074,044	9.98

SOURCE: *Lian He Pao*, 24 March 1996, p. 1.

the international spotlight, and then being unable to react strongly to the U.S. military intervention, Beijing not only lost in the war of nerves against Taipei, but also augmented Taiwan's status and self-confidence to an all-time high.

However, China's military exercises have clearly served the loudest warning to all Taiwanese that China is a real threat that must be reckoned with. After all, the exercises themselves did disrupt, though only temporarily and on a small-scale, the social and economic order in Taiwan and caused widespread alarm and anxiety to the people. They have certainly reminded everyone of the vulnerability and fragility of Taiwan's economy and society. And conceivably, even sustained military pressure short of actual conflict could easily suffocate Taiwan's foreign trade and demoralize its people, in spite of the relative equilibrium in traditional air and naval forces between the two sides of the Taiwan Strait. Viewed in this light, China's military exercises in March 1996 might well have actually pulled down at least the degree of popular support for the DPP which, during the presidential campaign, openly championed an immediate declaration of independence in the event of a Chinese attack. At any rate, by Taiwanese standards, and particularly in view of the ruling party's massive organizational resources in addition to its determination to win the race, Lee's victory could not be called a landslide. Its considerable loss in the number of seats in the newly elected National Assembly further suggested the decline of KMT influence in legislative politics (Table 3). In other words, the crisis in the Taiwan Strait could be seen as a mixed blessing to Taiwan at most, and consequently, there should be room for reflection for Taipei, as well as for Beijing.

At any rate, the distribution of votes is also open to divergent interpretations. Indeed, Beijing claimed that since the DPP was able to muster only 21 per cent of the popular vote, a figure that was not only the

TABLE 3

Election Results of the Third National Assembly, 23 March 1996

Party	*Elected Seats*	*Popular Votes*	*Distributed Seats*	*Total Seats*
KMT	183	49.68%	54	237
DPP	99	29.85%	31	130
New Party	46	13.67%	15	51
Others	6	6.80%	0	6
Total	334	100.00%	100	434

SOURCE: *Lian He Pao*, 24 March 1996, p. 1.

lowest in recent years, but also lower than the two other independent candidates combined who were in favour of ultimate reunification with mainland China, the movement towards Taiwanese independence had been successfully checked. On the other hand, the DDP has offered a diametrically opposed perspective, by arguing that the support shown for Lee Teng-hui should in fact be counted together with that for the DPP, and that in this case, as much as 75 per cent of the electorate were in favour of asserting and defending Taiwan as a separate and sovereign state. The independent candidates offered yet another interpretation, by attributing their defeat mainly to the ruling party's domination of resources and the media and the ruthless campaign it had run. They also cautioned the new President against defying the considerable minority of dissenting votes.

How the Taiwanese Government responds to Beijing in the coming months, therefore, depends to a large extent on how the KMT leadership, and particularly Lee Teng-hui, perceive the situation. Lee might well read his electoral victory as a vindication of the wisdom, rather than error, of his past policies. With a clear mandate from the people, with his own international stature enhanced, and newly assured of U.S. military backing, Lee might well remain as uncompromising as he has been in confronting China. Indeed, judging from his strong and outspoken personality, he might well adopt an even higher posture *vis-à-vis* China and become more adventurous in the formation of Taiwan's China policy. The fact that in his post-election speeches, Lee had not altered even slightly his basic stand on China and had not yet uttered a single conciliatory word with regard to the future of cross-strait relations, but has instead belittled Beijing's military threat and at the same time urged the Taiwanese people "never to lose courage and self-confidence", could well reflect his determination to stand up against China.[10]

If Lee's reading of the election results should indeed be similar to the DPP's, it might push Taiwan onto a confrontational course with China. Indeed, Beijing has reiterated the two conditions that would push China to resort to the use of force against Taiwan, namely, Taiwan moving towards formal independence, and foreign countries' meddling in the reunification process. And China is unlikely to back down from this well-established and repeatedly declared policy. From Beijing's perspective, the intimidating effect of any military exercises conducted in the vicinity of Taiwan clearly has diminishing returns, and the most recent series of military exercises were also as far as China would go, short of launching a full-scale attack either on offshore islets controlled by Taiwan or on Taiwan itself. After all, having shown its open distrust of Lee Teng-hui for nearly nine months now, Beijing cannot be expected to pin much hope on Lee. Indeed, it has been reported that China has decided to keep its military forces mobilized for exercises in the coastal areas while watching Taiwan's new moves. Unless and until the two sides resume communication with each other, the crisis in the Taiwan Strait clearly will not be over.

But there are also signs of hope for better relations to come between Beijing and Taipei. Chang Ching-yu, the newly appointed Chairman of the Mainland Affairs Council, has urged Beijing to reopen channels of formal communication. The incumbent premier and newly elected vice-president, Lien Chan, has also pleaded for co-operation and consultation, rather than confrontation and conflict, between Taiwan and the mainland. He has also expressed Taipei's readiness to negotiate a peace agreement with Beijing. Liu Chao-hsuan, Taiwan's Minister of Communications, has even proposed direct telecommunication links as a first step towards establishing other types of direct links. If all these new initiatives do represent some kind of consensus among Taiwan's leaders, relations between Taipei and Beijing can be improved quickly.[11] After all, Taiwan is acutely aware of its existing military deficiencies, namely, its lack of an adequate defence system against a missile attack or a submarine blockade. And unless and until Taiwan strengthens its defence capabilities, its best policy for the time being would still be to trade time for space.

On the other hand, the Chinese have also shown a more conciliatory attitude, first by scaling down drastically the last round of amphibious exercises, and then by declaring their readiness to "normalize" cross-strait relations if only Taiwan demonstrates a willingness to return to a one-China principle. In early April 1996, Chinese Foreign Minister Qian Qichen further assured the Japanese Prime Minister that peace would be ensured in the Taiwan Strait so long as foreign countries keep their hands off Taiwan.[12] Indeed, knowing that it cannot possibly avoid dealing with Lee for the foreseeable future, Beijing has to make the best out of an unpleasant situation by keeping the doors to negotiation and peace open, if only to allow time to assess Lee's words and deeds. After all, Beijing has apparently calculated that its military exercises have at least served their intended warning purpose, and there is no urgent need to push Taiwan further for the time being. Both the international climate and the political atmosphere within Taiwan also mitigate against any drastic move by Bejing until the post-election situation becomes clearer.

However, if a new round of peaceful interaction between the two sides of the Taiwan Strait appears inevitable, there are no assurances that it will lead to a sustained period of peace and stability. For one thing, Beijing is unlikely to alter its long-standing position on Taiwan, whereas Taipei is also determined not to succumb to overt pressure by expanding cross-strait contacts. In fact, so far both sides have merely reiterated their well-known stand without showing any common meeting point. If China continues to push for new progress, whereas Taipei persists in stalling it, tension might well rise again, rendering the entire situation unpredictable. In particular, unless President Lee adopts a more friendly and conciliatory attitude towards China, there might well be more crises to come.

In the final analysis, the crux of the problem lies in whether Taiwan's new leadership is willing and also able to dampen the heat of Taiwanese nationalism or separatism and its by-product — anti-China sentiment — that have been generated by the rapid democratization and Taiwanization process. In this respect, Taiwan is apparently confronted with a dilemma: whether to withstand China's threats or to promote internal unity, and therefore to ensure its own security, Taiwan needs to cultivate a distinct Taiwanese identity, but the very process of doing so inevitably generates attitudes and activities unfriendly and even hostile to China and all Chinese, thereby invoking the suspicions of Beijing. Still worse, it could also inadvertently push Taiwan onto the course of independence and, consequently, a head-on collision with China.

Nevertheless, it is also clear that, given some firm but skilful guidance from Taiwan's political élite and opinion leaders, the very process and ultimate direction of Taiwan's democratization could be easily rendered at least compatible with the long-term goal of a reunified China. Indeed, it can be forcefully argued that both the Taiwanese leaders and the Taiwanese people have been somewhat carried away by the increasingly frequent and emotive interaction between politicians and voters during recent years. And the resulting vicious circle has not only soured cross-strait relations and alarmed Beijing, but has also caused unprecedented discord and division within Taiwanese politics and society, thereby serving the interests of none. With the final stage of the democratization process now completed and the most important election in Taiwan's history over and, what is perhaps even more important, with the electoral heat having cooled down, Lee Teng-hui as the new President could now perform a sobering function by injecting a new vision and a new sense of purpose and direction for the Taiwanese people, thereby turning swords into ploughshares.

In other words, if Lee can assure the Chinese that the Taiwanization process does not imply a drifting away from China and would not lead to independence, and could also hold the emotive element of Taiwanese nationalism/separatism more or less in check, and at the same time persuade the Taiwanese people, and perhaps himself too, that negotiation with China on the question of reunification does not necessarily lead to a political merger of the two regimes, the prospects for peace and stability in the Taiwan Strait would be instantly and greatly enhanced. If, on the other hand, Lee and his close associates feel more assured by the newly demonstrated domestic and international support, and decide to continue with the current policy of distancing from and even opposing China, even to the extent of fanning anti-China sentiment in Taiwan, or disregarding China's threat and ability to use force against Taiwan, relations between the two sides are bound to get worse again very soon. Whichever is the actual course of action taken by the Taiwanese Government under Lee during his new term, the situation in the Taiwan Strait is likely to remain volatile for some time to come.

NOTES

1. For the periods and areas of China's military exercises in March, see *Lian He Pao* [United Daily] (Taipei), 6 March 1996, p. 1; 10 March 1996, p. 1; and 13 March 1996, p. 1.
2. This was disclosed by Lin Yang-kang and Hau Pei-tsun in their joint open letter addressed to the KMT after their party membership was suspended. See *Lian He Pao*, 10 December 1995, p. 2; and 20 December 1995, p. 1.
3. *Lian He Pao*, 10 December 1995, p. 2.
4. For the full text of the interview, see *Zi Li Wan Pao* [Independent Evening News] (Taipei), 30 April–1 May 1995.
5. For the full English texts of Jiang Zemin's eight-point proposal and Lee Teng-hui's six-point response, see *Free China Review* (Taipei), March 1996, pp. 24–25.
6. *Lian He Pao*, 22 May 1995, p. 4; and 6 November 1995, p. 6.
7. The English text of President Lee's Cornell speech can be found in *Free China Review*, August 1995, pp. 4–7.
8. See, for instance, *Lian He Pao*, 11 December 1995, p. 6; and 6 March 1996, p. 2.
9. *Lian He Pao*, 25 January 1996, p. 1.

10. In an interview with the *Asian Wall Street Journal*, President Lee insisted that Beijing ought to take the initiative to reduce tension in the Taiwan Strait. He also refused to put an end to Taiwan's rejoining the United Nations campaign. *Asian Wall Street Journal*, 27 March 1996, p. 1. See also *Lian He Pao*, 28 March 1996, p. 1; and 2 April 1996, p. 1.
11. *Lian He Pao*, 25 March 1996, pp. 1, 4; 26 March 1996, pp. 1, 3; and 27 March 1996, pp. 1, 3.
12. *South China Morning Post* (Hong Kong), 26 March 1996, p. 1; *Lian He Pao*, 27 March 1996, p. 3; and 2 April 1996, p. 1.

CHANG PAO-MIN is currently Professor of Political Science with the Graduate Institute of Political Economy, National Cheng Kung University, Tainan, Taiwan.

Contemporary Southeast Asia, Volume 18, Number 1, June 1996

Thinking Globally from a Regional Perspective: Chinese, Indonesian, and Malaysian Reflections on the Post-Cold War Era

ROSEMARY FOOT

East Asian analyses of the global changes that have followed the ending of the Cold War receive less exposure than those emerging from the trans-Atlantic international relations community. This article compares government and academic thinking in China, Indonesia and Malaysia on four key issues: the nature of the post-Cold War global structure; the implications of the emergence of the United States as the sole superpower; the debate over a more activist and democratic United Nations; and attitudes towards global interdependence. It concludes that there are divisions of view and interest among the three states but that at a minimum each displays a sense of disquiet with respect to this new era, with unease at its greatest in Beijing and at its lowest in Jakarta. These differing attitudes could usefully be explored at the various official and unofficial dialogues that have been initiated and which are designed to build confidence and understanding.

Academic studies of the post-Cold War era have until recently demonstrated a relative neglect of the Asian and African dimensions.[1] The majority of the empirically-based studies, especially those emanating from the trans-Atlantic international relations academic community, have tended to concentrate on the major states in the global system, on

U.S.–European relations within the context of the North Atlantic Treaty Organization (NATO), on European Union policy developments, and on the future of the Central and Eastern European relationship with those two bodies.

In theoretical terms, and arising out of the substantive focus on U.S.–European developments, such literature has shown signs of stabilizing around two competing paradigms: the "back to the future" school which laments the passing of the form of stability that is associated with bipolarity, and which fears the resurrection of old rivalries that had been suppressed by common concentration on the external Soviet threat; and the neo-liberal institutionalist argument which contends that the institutionalized co-operation of an earlier era continues to shape policy choices in the current period, contributing to the maintenance of co-operative behaviour patterns.[2] Only recently have these two positions begun to shape debate about other areas of the world.[3]

This article is intended to contribute to this shift in focus away from U.S.–European relations and towards East Asian perceptions of the strategic and political environment in the post-Cold War era. It examines some of the perspectives that are held in the region about the nature of the current order, highlighting especially the views of government officials, but also the analyses of influential individuals in some of the leading research institutes in the three countries selected. In addition to the modest goal of providing some information on Chinese, Indonesian and Malaysian thinking, it also provides one means of assessing the extent to which these perceptions about the global order might help to underpin or undercut a co-operative future for the region.

These three states have been chosen for comparison for a number of reasons: in terms of self-assessment, the leaders in each country have frequently depicted themselves as champions or representatives of developing country positions; with regard to concepts of security, and as former colonies or semi-colonies, each state has been concerned about the West's challenge to sovereign jurisdiction; and each has articulated a concept of national security in this and past periods that gives primacy to national resilience and unity. Because each has been concerned about internal subversion, there has been a close connection between internal and external security and, since national resilience has been deemed important, a socio-economic dimension to security is also prominent. Although these states are divided along other important political, cultural and economic dimensions, the perceived capacity to represent wider developing country opinions and the similarities in their concepts of security ensure in the former case the ready articulation of positions regarding global developments, and in the latter at least provide the opportunity for a common perspective to emerge. In this respect, therefore, there is the possibility of tempering the predominant argument with regard to East Asia: that it is an area made up of states seriously divided along a number of crucial dimensions, including political systems, religious affiliation, ethnicity, culture, and language, that render its ability to deepen areas of co-operation problematic.

In order to determine positions, government statements and some of the published material from the major research institutes have been examined. To a greater or lesser extent, within the three countries, and for political reasons, there is a closeness of view between government and academic analysis.[4] Such similarity is further reinforced by the fact that the research institutes in each country are strongly policy-oriented, thus making it difficult to allow time for theoretical or conceptual reflection.[5] Moreover, since both leaders and policy-oriented researchers are reacting to contemporary developments, their analyses are strongly influenced by such immediate and pressing events. For example, the 1990–91 Gulf War, developments in Somalia and the former Yugoslavia, the advent of a new American administration in January 1993, the debate over the Uruguay Round, domestic political unrest and/or repression, together with its generation of external concern and comment — all have had their impact on perceptions in official and non-official arenas. A further consequence of this, therefore, is that perceptions are evolving — an obvious drawback to the approach adopted here. Nevertheless, it is suggested that there is sufficient stability in positions, based on certain similarities in articulated conceptions of security, to make the objective of determining and comparing perspectives a viable one.

The Post-Cold War Global Structure

Governmental and academic opinion in all three states has reached the unsurprising conclusion that the international system is en route to a multipolar order which it will reach at some future time impossible to determine. In a clear rejection of Waltzian notions of bipolar stability,[6] multipolarity tends to be depicted as being more conducive to world peace, but only in its ideal form — that is to say, in circumstances where no single power dominates but where differences among the various poles narrow, allowing each pole to act to balance and constrain one another.[7]

In the meantime, however, the transition from bipolarity is seen to have greatly complicated the strategic picture. Commentators in all three states have depicted the current era as one of great turbulence, unpredictability and instability and, as noted earlier, there are few guesses when these tendencies will abate.[8] Currently, all basically agree that the world is in a "unipolar moment", with important, mainly negative, consequences for the Third World, of which they see themselves to be a part.

Both Indonesia and Malaysia emphasize that one thing that bipolarity afforded (and implicitly that Third World states currently miss) was the opportunity to play off one superpower against another. Their primary concern is that such a loss of leverage may have serious economic consequences: with a shortage of global capital, the former Soviet Union, Central and Eastern Europe and, to a lesser degree, the Middle East are expected to absorb the West's resources, leaving countries such as their own on the sidelines. Datuk Seri Dr Mahathir Mohamad, Prime Minister of Malaysia, has put the marginalization argument in more overtly political terms, most starkly at the Non-Aligned Movement (NAM) Summit in September 1992. Pointing to the inauspicious circumstances for the weaker states in the post-Cold War era, he described their current options as being "to submit or resist. Both involve a loss of leverage, and weak nations with no leverage can only become weaker. And the strong will truly inherit the world." He went on: "Without the option to defect to the other side, we can expect less wooing but more threats".[9] Similarly, Noordin Sopiee, the influential director of the Institute of Strategic and International Studies in Kuala Lumpur, has written of the accelerated "peripheralisation of most Third World countries", of the "erosion of superpower generosity", and loss of great power tolerance of behaviour deemed detrimental to their interests, especially when compared with their relative indulgence during the period of the "heroic contest" between East and West.[10]

Chinese leaders too have frequently reflected on the extent to which their country has lost political leverage as a result of the ending of the "strategic triangle". Most emphatically, Beijing has noted the increased threat that a unipolar moment poses in political and cultural terms to itself and to other parts of the Third World. The fear is that the West (the United States in particular) will be bolder in attempting to impose its values, intervening in domestic affairs where necessary to ensure this imposition. As Foreign Minister Qian Qichen put it at the United Nations General Assembly in October 1993: "The new international environment has landed many developing countries in an even more dire plight. Increasing foreign intervention has heightened the various factors of instability therein and compounded their difficulties".[11] The Malaysians appear to agree. Noordin, writing in terms close to

Mahathir's own views, states that there has been a "rise of a doctrine of interventionism" in the West which will be "generally threatening to the interests of the weaker nations since double standards will abound and it will be the strong who will determine its very selective application".[12] To some degree, the debate over Asian values, which relate to issues of human rights, democracy and development (and in which Malaysia has played a particularly prominent role), has been fuelled by these concerns over an interventionist West attempting to impose "conditionality", and its view of the relationship between these complex issues.[13]

All three countries pay lip service to the need for greater South–South co-operation but in Malaysia's expression of this its pessimism is evident: as Mahathir put it, such states must "pool what little strength we have". Worse still, in his view, the countries in the South, in their striving to develop, have found that "their records on human rights, democracy, and so on are [being] scrutinized in order to obstruct their progress".[14] The Chinese have advocated a number of reforms of the global economic system, calling for the developed world to open its markets, provide development aid, transfer technology and reduce the debt burden.[15] In Indonesia's case, it promotes more forcefully than South–South co-operation a "Brandtian" vision of North-South, arguing that the way to deal with the North is not to confront it but to co-operate with it: "whether one likes it or not, the West or the North has continued to be the primary source of capital and technology which the non-aligned nations badly need for development".[16] According to one author, Indonesia has a strong and influential group of liberal economists with some access to policy-makers. Their ideas on economic liberalization obviously help to underpin this perception of the value of foreign capital.[17]

The U.S. Role as the Sole Superpower and Regional Security Partner

Inevitably, there has been a focus on U.S. behaviour, both as the sole superpower and as actual or potential security guarantor in East Asia, in official and non-official writings and statements in all three countries. Indonesian élites seemingly have had a somewhat more benign public attitude than Chinese or Malaysian commentators about the U.S. role in the post-Cold War era. After the Gulf War, commentators in Jakarta at the Centre for Strategic and International Studies (CSIS) and the Centre for Information and Development Studies (CIDES), such as Dewi Fortuna Anwar and A. Hasnan Habib, both drew the lesson that regional hegemons would not be allowed to get away with bullying smaller nations[18] (although the latter author pointed to the requirement that an American direct and vital interest had to be involved). China's paramount leader, Deng Xiaoping, on the other hand, allegedly characterized the action as an example of "big hegemonists beating up small hegemonists", or as a Hong Kong newspaper, reflecting Beijing opinion, described it, it was a "war for the interests of the U.S.A; a war contending for hegemony over petroleum, a war between world hegemony and regional hegemony".[19]

Despite U.S. criticism of Indonesian actions in East Timor and of its labour legislation, there is still a clear desire in Jakarta to see Washington remain globally active, to include involvement in the East Asian region. All the ASEAN states to a greater or lesser degree want to see the United States remain an involved Pacific as well as Atlantic power, the broad argument being that too swift a U.S. disengagement from their region would create a power vacuum that would probably be filled by either China, Japan, or India. Malaysia and Indonesia, however, have tried hard to move beyond the power vacuum argument and to put emphasis on the need to reassure rather than to deter traditional or potential enemies. As Mahathir has put it: "There are now tremendous opportunities to go by a different path, to cooperate with those with whom one disagrees, with whom one has yet to come to an agreement ... This is the path of co-operative security, of trying to get along, of trying to understand one's adversary and the security concerns of others, of trying to accommodate and to embrace".[20] The Indonesian Government has also demonstrated its interest in regional security cooperation, by sponsoring a series of meetings designed to deal with the management of tensions in the South China Sea, and actively working to establish the multilateral security organization, the ASEAN Regional Forum (ARF), of which the United States is a member.[21]

The People's Republic of China (PRC), on the other hand, is more ambivalent about the U.S. role. It recognizes that the ASEAN countries want the United States to remain in the region, and has acknowledged that its presence can be valuable in sustaining regional stability and in containing Japan; but it also views Washington as a brake on the emergence of multipolarity, a world structure which it would like to see in place. Moreover, certain key figures in Beijing, especially within the military, believe that the United States has targeted China as a potential enemy and is exacerbating China's relations with other states in the region through the depiction of the PRC as a future threat to others.[22] This encourages China to seek to allay these fears by participating in the various multilateral security fora that have emerged at official and non-official levels in East Asia. Yet, it is fearful that the United States will try to set the agenda at such gatherings, and use them as a "platform for China-bashing".[23] Thus, while it has become more active within the ARF — the most significant multilateral security organization yet to emerge — it also fears that the ARF might be used by Washington to construct its own preferred security structure for the area.[24]

A More Activist and Restructured United Nations

Attitudes towards the United States and fears regarding Third World marginalization inevitably influence reactions to a more active United Nations that has emerged in the post-Cold War era. The U.N.-authorized action in Iraq was followed in 1992 by a fivefold increase in the number of troops deployed in peacekeeping operations. But more significant is an increase in the types of activities such forces are engaged in, including the monitoring of elections, peace-enforcement, and humanitarian intervention.[25]

Again, the three governments' reactions to these developments have been somewhat different. As noted earlier, Chinese statements emphasize that the West, and especially the United States, is using the United Nations in this new era to promote its interests. During the Gulf War, for example, one commentator, noting that the United Nations had been strengthened as a result of its actions in the Gulf, also argued that one outcome had been that the "United States and some Western countries have taken advantage of the drastic changes in the international situation and given enormous publicity to their values and priorities within the United Nations. They have attempted to force their views and policies upon others in order to achieve their own interests".[26] Beijing fears the implications of the constant reference to Chapter VII, rather than Chapter VI provisions within the U.N. Charter as a means of dispute settlement. It constantly reminds those willing to listen that the United Nations is a gathering of sovereign states and that it is in danger of riding roughshod over the statist principles enshrined in the U.N. Charter, especially those basic principles of "respect for the sovereignty and non-interference in the internal affairs of member states".[27] China has ruled out the integration of its armed forces into a U.N. task force, and has ignored the basic tenor of U.N. Secretary-General Boutros-Ghali's *Agenda for Peace*, which advocated the expansion of U.N. activities. Chinese commentators reported only the Secretary-General's references to the sovereignty of states as an "untouchable principle", and his statement that under Article 2, paragraph 7 of the Charter, the United Nations would "never intervene in the domestic affairs of a member state either in the guise of preventive diplomacy or for a humanitarian aim".[28] In summing up the achievements of the United Nations over the past fifty years, Foreign Minister Qian commended it for its "major contributions to the peace and prosperity of mankind". But he also advised this "irreplaceable" organization, where peacekeeping was concerned, to learn the lessons of the more recent past, to move forward only on the basis of those aspects of the Charter that gave due weight to domestic jurisdiction, that emphasized the settlement of disputes through mediation, and that sought the prior consent of the parties concerned.[29]

Although Indonesian and Malaysian perspectives on this question are less fully articulated, and although they certainly would not disagree with Chinese views about Western dominance of the institution, nevertheless, they both seem to favour a more active organization, provided it is made more representative and democratic. Malaysia, for example, and with Bosnia in mind, has attacked U.N. activity primarily on the basis of its selectiveness, which leads it to "apply principles when it suits the interests and convenience of certain prominent members". In 1994, Malaysia's Deputy Prime Minister, Anwar Ibrahim, reiterated his government's view that "many of us will not be willing to accept that these powers should continue to be Charter-privileged to intervene wherever and only when their own interpretations of peace and security warrants intervention". Mahathir's blunt warning to any of those who sought a seat on the U.N. Security Council was that they would have to "be interested in everything" in every part of the world.[30]

The Indonesian Foreign Minister, Ali Alatas, has also put the case for activism and reform, but somewhat more circumspectly. He spoke in October 1993 of a "renewed confidence in multilateralism as a viable approach to the resolution of the crucial issues of our time", and the head of Indonesia's U.N. delegation suggested that the body "should become fully effective as the central instrument for a new and revitalized international order". In 1994, Alatas also called for the promotion of the organization's "transparency, legitimacy, accountability and efficiency".[31] In contrast to the Chinese Foreign Minister's view of recent peacekeeping operations (PKOs), the Indonesian Foreign Minister, while admitting that not all such operations had been successful, stated that such efforts nevertheless had "consistently promoted progress in negotiations between the parties in conflict". He went on to note, apparently with approval, the expansion of PKO protective functions to include "humanitarian aid, refugees and displaced persons, as well as assistance to countries holding elections". President Soeharto, at the fiftieth commemorative meeting of the United Nations, called for a further enhancement of the organization's capabilities "through more effective global and regional mechanisms for peacemaking, peacekeeping and post-conflict peace-building as well as preventive diplomacy".[32]

Obviously, their respective positions in the United Nations, with China as the only one of the three that is a permanent member of the Security Council, shape their attitudes towards any restructuring of the organization.[33] The Malaysian Government, with no chance of a permanent seat on the Security Council, has launched the most far-reaching attack on the current structure of the organization, calling it undemocratic and unrepresentative of the body at large. Claiming to be strongly committed to enhancing U.N. capacities in preventive diplomacy, peacekeeping and peacemaking, it has argued that the body as currently constituted would be unable to carry out the work-load envisaged for it in Boutros-Ghali's *Agenda for Peace*. Moreover, Mahathir has gone further than this and launched a direct attack on the Security Council and on the veto: "I don't see why the last great war should influence us forever"; and on another occasion claiming that some of the veto-power holders had now become "second-raters". He has also argued: "They talk about democracy and the need for us (the Third World) to practise democracy but, on the other hand, when it comes to international democracy, there is no one country one vote, it is a question of how strong you are". In his address to the United Nations in October 1993 and again in September 1995 he called specifically for the overthrow of the veto. Although in 1993 he acknowledged that some additional weight for the permanent members might be acceptable, he argued that "for each of them, alone, to be more powerful than the whole membership of the UN" was not, "not before, not now and not for the future ... the veto must go". Although other Malaysian officials tend to be less specific about the veto, stating for example that it was a "creation of power politics of the past", and therefore had to be "part of the total reform of the Council", or that it should be reviewed with "a view to its total elimination", there is little doubt that it is Kuala Lumpur that has mounted the most serious attack of the three on this particular feature of the Security Council.[34] Moreover, it is Malaysia that has sought the most significant changes with regard to the matter of representation, to include an increase in the number of non-permanent members of the Security Council, and the giving of permanent seats to regions, "possibly [to be] determined by a regional mechanism".[35] Mahathir's government thus represents an outspoken proponent of structural change.

The Indonesian position has been similar in some respects to that of Malaysia, but has also reflected its own agenda and desire to become one of the permanent members of the Security Council, although not necessarily with full veto power. President Soeharto, and his Foreign Minister, Ali Alatas, are on record in their support of increasing the number of developing states sitting as permanent members of the Security Council, to be chosen from the most populous countries in Asia (India and Indonesia), Africa, and Latin America. As Ali Alatas put it in October 1994 and in almost identical vein in 1995: "while the principle of geographic representation is important, it should not be the only criterion to determine eligibility for new permanent members. We believe that other objective criteria are equally important, such as political, economic and demographic realities and a country's capability and record of contributing to the promotion of peace, security and economic development, both regionally and globally, as well as the commitment of states to assume the responsibilities inherent to such a status". Soeharto has also argued that while it would prove impossible to remove veto rights from the Permanent-5, the use of the veto should be regulated: the five permanent members of the Security Council "can use their vetoes, but there must be rights to counter the veto power. This means that a veto can be countered by two vetoes. Two vetoes can be countered by four vetoes and so on". In 1995, the Foreign Minister put the reform of this aspect of the United Nations in less specific terms, calling for a review of the veto "with a view to mitigating its arbitrary use and to ensuring a more democratic decision-making process". Like Malaysia, Indonesia has also called for a more equitable distribution of power within the United Nations, among the Security Council, the General Assembly, and the U.N. Secretary General.[36]

Unlike the other two states, and because it is on the Security Council, China has been in a more exposed position in this era of an activist United Nations, and will be directly affected by any change in the organization's structure. Beijing has stated that it supports a "further enhancement and strengthening of the U.N.'s constructive role in preventive diplomacy, in peace-making and peace-keeping" but, as noted earlier, Beijing's Foreign Minister has also gone on to suggest that, as the scope and frequency of U.N. operations increases, "we deem it important and relevant to stress such basic principles of the Charter as respect for sovereignty and non-interference in the internal affairs of member states".[37] China has argued for a strengthening of the "function and role" of the General Assembly. It has also called for the Security Council to become more democratic in the sense of being more representative geographically. As its various spokespersons have put it, expansion should take into account the "principle of equitable geographic distribution" and should "pay attention to the fact that the overwhelming majority of the U.N. membership was developing countries". But Beijing has also indirectly indicated its reluctance to see any tampering with the veto power: "no reform measures should adversely affect and weaken the role and existing viable mechanism of the Council".[38] The twin evils, from the Chinese perspective, of a revitalized United Nations coupled with a weakening of the veto, reinforced by Beijing's wariness about multilateral decision-making, make this an extremely uncomfortable era for China, and the U.N. debate a difficult issue for the PRC to finesse. It represents a considerable dilemma for a country that wants not only to champion Third World opinion, but also to maintain its privileged position as a (potentially) veto-wielding member of the United Nations.[39]

State-Centrism versus Globalization

China's position with respect to the reform of the United Nations is a further reflection of its predominantly realist, state-centric view of the world. Chinese researchers and even more so its leaders generally put great emphasis on the fact that the international community is made up of sovereign states and that sovereignty remains a fundamental principle of international law. This is not to argue, however, that there have been no changes at all in China's formulations on such questions. On economic issues, for example, these ideas have been tempered to an extent. In October 1995 at the United Nation's fiftieth anniversary commemorative meeting, President Jiang Zemin argued: "No country can afford to stand aloof from the international community and isolate itself from the global market. The internationalization of economic life requires that all countries conduct extensive exchanges and co-operation in the economic, technological, financial, trade and other fields".[40] There has also been some softening in China's realist approach to security, as shown by its willingness to explore co-operative security ideas; nevertheless, state-centrism still remains predominant in official formulations.[41]

Malaysian commentators, given the country's longstanding commitment to regional organization, do not put as much emphasis as China has tended to on the state as the sole focus of activity and authority. Government statements in the early 1990s have paid increasing attention to the benefits of regional co-operation, especially those that they perceive to have derived from the establishment of ASEAN. Such statements also suggest a determination to build on that success. Additionally, there was much discussion (in light of the establishment of the North American Free Trade Area [NAFTA] and the coming into being of the

Single European Act in 1992) of the necessity, in the economic realm, to promote "open regionalism".[42]

Indonesia, however, has gone further than this. Various scholars at CSIS and CIDES, particularly Jusuf Wanandi,[43] but also A. Hasnan Habib, Dewi Fortuna Anwar and J. Soedjati Djiwandono, have all emphasized in their recent writings the fact of global interdependence, the globalization of economic activities, and the greater awareness within the global community of concepts associated with freedom: the rule of law, political pluralism, and the like. For Anwar, growing interdependence has meant that world politics can no longer be seen as a zero-sum game but should be viewed as a positive sum, where, with regional and international co-operation, everyone can benefit. Wanandi, in a discussion in 1993 on human rights, has argued that international relations based on sovereign states are undergoing fundamental change since an essential part of global activity involves relations among individuals and groups of people. States, he has noted, were being challenged by international organizations, interest groups, the globalization of the economy, advancement in information technology, and developments in transportation. Habib, writing in 1994, has claimed that the Cold War era has given way to the "promise of global cooperation in the maintenance of international peace and security ... pushed by the unique combination of global trends" of the last quarter century: "economic globalization and interdependence, economic and political integration of nations, even regions, common concern about global environmental degradation and depletion of natural resources, the spread of plural democracy, the declining importance of military power and the ascend [*sic*] of trade and economic issues in international relations".[44]

At a time when there is much to indicate that Jakarta remains an authoritarian state still focused on the problems of national unity and resilience, it is perhaps foolish even to hint through these quotations that a genuine and fundamental change in thinking is afoot in Indonesia. However, at a minimum we can say that, while an alteration in values may not have occurred at the highest policy-making levels, such views of the world are being reflected in official government statements. As part of Soeharto's pitch at the NAM Summit for moderation in the approach of the Movement towards North–South relations, he dwelt on the effects of economic globalization, and of the rapid progress of science and technology and its impact on the changing patterns of production, trade and finance. In January 1993, Foreign Minister Alatas argued in an interview that, while major power tension and competition would remain a feature of international life, old-style colonial patterns of relations could be ruled out: "increasing interdependence and integration, the technological advances that make this earth smaller and smaller, becoming one community, whether we like it or not, the globalization of factors of production — all make for an increasing awareness of interdependence".[45] Where Chinese leaders seem to prefer to regard interdependence as a route to obtaining greater national power,[46] Alatas' statements suggest that such a choice is no longer possible.

Some Implications

Despite the "econophoria" that one associates with the East Asian region and with these three states in particular,[47] this examination of their perspectives on global change since the end of the Cold War, incomplete as it is, conveys an underlying sense of vulnerability and unease borne out of that transition. Each has characterized the new era as one that is unstable and unpredictable. As is the case for other Third World states, the world still appears to be a hostile and insecure place. Such states are also concerned about being ignored by the West in economic terms, but pressured by it politically, demonstrating that the North–South argument of the Cold War years has survived, even intensified, in the new era. And, as with those earlier years, such states see themselves as being faced with the options of resistance or adaptation. Despite their impressive economic successes of recent years, when they contemplate global developments, long shadows of doubt are cast across their apparent optimism. There is a clear sense that, although their relative power has increased since the 1980s — especially in economic terms — their ability to shape the global agenda has not increased commensurately.

There is, then, a basic level of agreement among these three countries about the nature of the post-Cold War era and their place within it — a perception that is reflected elsewhere within the developing world, and which perhaps demonstrates the psychological basis and the continuing pertinence of this particular categorization of states. Nevertheless, the three states do divide in different ways on different, specific issues, and from these specific findings it is apparent that the unease is at its greatest in Beijing and at its lowest in Jakarta.

Indonesia and Malaysia seem to be looking to the United Nations as the one credible multilateral organization to fulfil the "promise" of the Gulf War (if one can put such an optimistic spin on it): that regional hegemons, wherever they may arise, will not be allowed to get away with threatening the weak. But to reduce its tendency towards selectivity, these two states want to make the United Nations a more democratic institution, mainly by making the U.N. Security Council more representative and accountable. Within the region, they wish to see the United States remain engaged — in Malaysia's case, temporarily, in Indonesia's, remaining by right as a Pacific power — and at the same time they are working to promote multilateral security co-operation in the area. To this end, they want to strengthen and remain in control of security frameworks such as the ASEAN Regional Forum. These states' greater attunement to ideas connected with "globalization" or at least "regionalization" reinforces these particular policy directions.

For Beijing, the picture is more complex than this as it is under a number of conflicting pressures. This reflects problems with its own self-identification: is it a great power, a Third World state, or something in-between? With respect to the United Nations, it is faced with having to respond to some of the ideas about the restructuring of the Security Council, or having to play a more active role on behalf of developing country interests than it does at present, lest it disappoints this constituency yet again. One difficulty with being responsive to such Third World opinion is that Jakarta and Kuala Lumpur have suggested that they want not only a more democratic United Nations but also a more active one. It will take a long time to convince China of the benefits of this, given its preoccupations with matters of state sovereignty, and its concerns about humanitarian intervention especially given the possibility of domestic unrest in Tibet and Xinjiang, or elsewhere on the mainland.

With respect to the East Asian security structure that is emerging out of the end of the Cold War, China remains cautious about the benefits of multilateralism even as it recognizes that it is better to be a participant in such a process than to be left out of it. Beijing's attitude towards the United States' regional role seems equally ambivalent. Its own bilateral relationship with Washington has been extremely volatile in the period since 1989,[48] and there is a danger that the specific tensions between these two states will reduce Beijing's tolerance of Indonesia's and Malaysia's desire to retain a U.S. presence in the region. On the other hand, it has in the past acknowledged the U.S. role in sustaining regional stability — an important value, given China's wish to concentrate on domestic economic advancement. Overall, therefore, China emerges as a more conservative and cautious state than its Asian partners, more uncertain about the benefits of organizational reform and development, and about how to deal with the United States as a Pacific power.

There are also nuanced differences among these three states in their attitudes towards the structural changes that have occurred in the global system since 1989. China and Malaysia seem more fearful of and defiant in response to the consequences of unipolarity, with the latter recommending a binding together of the weak in order to mount some resistance, and the former advocating sanctuary in the five principles of peaceful coexistence. Indonesian perspectives, on the other hand, in their reiteration of the phrase "whether we like it or not" and reference to the processes of globalization, suggest that the confrontationist, state-based, approach is neither sensible nor in accordance with the realities of the current international order.

Clearly, then, assuming that there is a desire for co-operative relationships among the three within both global and regional organizations, there are divisions of approach and interest that will need to be recognized and reconciled. This finding, when added to the realization that such states are divided in many other significant ways — in cultural, political, religious and linguistic terms — underlines the value of the various dialogues at the regional level that have been initiated, both official and unofficial, as venues for the airing of perspectives and the building of confidence and understanding. When these three countries reflect on the global changes that have occurred in the post-Cold War era, they demonstrate a sense of disquiet and feelings of injustice with respect to their own positions. It will be an extraordinarily difficult project to remove the basis for those perceptions at the global level.[49] Regional developments, however, hold out the promise that such concerns and frustrations can be addressed and even alleviated.

NOTES

1. For a sampling of some recent publications on the Asia-Pacific, see Denny Roy's "Assessing the Asia-Pacific 'Power Vacuum'", *Survival* 37, no. 3 (Autumn 1995) and notes 1 and 2 in his article; and the useful compilation of essays in Robert S. Ross, ed., *East Asia in Transition: Toward a New Regional Order* (Armonk, N.Y.: M.E. Sharpe, 1995).
2. See John J. Mearsheimer, "Back to the Future: Instability in Europe After the Cold War", *International Security* 15, no. 1 (Summer 1990); and Correspondence, "Back to the Future, Part II: International Relations Theory and Post-Cold War Europe", *International Security* 15, no. 2 (Fall 1990). Further details on the latter position are provided in Robert Keohane, Joseph Nye, and Stanley Hoffmann, eds., *After the Cold War: International Institutions and State Strategies in Europe, 1989–1991* (Cambridge, Mass.: Harvard University Press, 1993). See also the continuation of the debate in *International Security* 20, no. 1 (Summer 1995).
3. A prominent example is Barry Buzan and Gerald Segal, "Rethinking East Asian Security", *Survival* 36, no. 2 (Summer 1994).

4. Note, however, the recent important argument advanced by Andrew MacIntyre. MacIntyre argues that in Indonesia, "In both the economic and security policy domains we can identify active, innovative, and reasonably independent networks of intellectuals and policy research specialists linked in with particular policy factions or camps in the state elite." See his "Ideas and Experts: Indonesian Approaches to Economic and Security Cooperation in the Asia-Pacific Region", *Pacific Review* 8, no. 1 (1995): 160.
5. A point noted by Herman Joseph S. Kraft in "Security Studies in ASEAN: Trends in the post-Cold War Era", in *Studying Asia Pacific Security: The Future of Research Training and Dialogue Activities*, edited by Paul M. Evans (Canada: University of Toronto/York University Joint Centre for Asia Pacific Studies, 1994), p. 11.
6. Kenneth N. Waltz expounds on the benefits of bipolarity in, for example, his *Theory of International Politics* (New York: McGraw Hill, 1979), esp. pp. 170–76.
7. For example, see Wang Jisi, "International Relations Theory and the Study of Chinese Foreign Policy: A Chinese Perspective", in *Chinese Foreign Policy: Theory and Practice*, edited by Thomas Robinson and David Shambaugh (Oxford: Oxford University Press, 1994, p. 491); and J. Soedjati Djiwandono, "The Security of Southeast Asia in a Changing Strategic Environment: A View from Indonesia", *Indonesian Quarterly* 19, no. 3 (1991): 252.
8. See, for example, Alatas and Mahathir's statements at the U.N. General Assembly, 48th Session, 13th Plenary Session, 1 October 1993; David Armstrong, "Chinese Perspectives on the New World Order", *Journal of East Asian Affairs*, no. 2 (Summer/Fall 1994), p. 461; and Qian Qichen's statement at the United Nations, in *Beijing Review* 36, no. 41 (11–17 October, 1993).
9. Foreign Broadcast Information Service, reports, East Asia (*FBIS-EAS*), *FBIS-EAS-92-173-S*, 4 September 1992, p. 2. Or, as Hedley Bull put it, one impact of the Cold War had been to constrain Western intervention in the Third World, in part because the growing Soviet capability "facilitated Third World resistance to Western intervention"; and there "emerged a balance among the interveners which has worked to the advantage of the intervened against". See Hedley Bull, ed., *Intervention in World Politics* (Oxford: Clarendon Press, 1984), pp. 135–36.
10. Noordin Sopiee, "The New World Order: Implications for the Asia-Pacific", in *Confidence-Building and Conflict Reduction in the Pacific*, edited by Rohana Mahmood and Rustam A. Sani (Kuala Lumpur: ISIS, Malaysia, 1993).
11. *Beijing Review* 34 (11–17 October 1993).
12. Noordin, "The New World Order", p. 10.
13. For some insight into this debate, see Daniel Bell et al., *Towards Illiberal Democracy in Pacific Asia* (London: Macmillan in association with St. Antony's College, 1995); and Bilahari Kausikan, "Asia's Different Standard", *Foreign Policy* 92 (Fall 1993).
14. U.N. General Assembly, 50th Session, 12th Plenary Session, 29 September 1995.
15. See Qian Qichen's statement to the U.N. General Assembly 49th Session, 28 September 1994, quoted in *Beijing Review* 37, no. 41 (10–16 October, 1994).
16. J. Soedjati Djiwandono, "The Tenth Summit Meeting of the Non-Aligned Movement", *Indonesian Quarterly* (*IQ*) 20, no. 4 (1992): 368. This article reflects the tenor of President Soeharto's address to the NAM.
17. MacIntyre, "Ideas and Experts", especially pp. 162–63.
18. Dewi Fortuna Anwar, "Indonesia in a Changing Regional and International Environment," *IQ* 20, no. 4 (1992): 386; A. Hasnan Habib, "Asia Pacific Developments in the 1990s", *IQ* 19, no. 3 (1991): 258.

19. Wen Wei Po, 30 January 1991. For a discussion of Chinese policies during the Gulf War, see J. Mohan Malik, "Peking's Response to the Gulf Crisis", *Issues and Studies*, September 1991; Hwei-ling Huo, "Patterns of Behaviour in China's Foreign Policy: The Gulf Crisis and Beyond", *Asian Survey* 32, no. 3 (March 1992); and Yitzhak Shichor, "China and the Gulf Crisis", *Problems of Communism*, November–December 1991.
20. Speech by the Prime Minister of Malaysia at the 27th International General Meeting of the Pacific Basin Economic Council, Kuala Lumpur, 23 May 1994. Malaysia's Defence Minister, while alluding to the concern about a power vacuum in the region that "may be filled by countries like China or Japan", has also suggested that the armed forces of regional states should "intensify cooperation and dialogue with each other as another confidence booster". See *FBIS*-EAS-93-110, 10 June 1993, p. 1.
21. Michael Leifer, "Chinese Economic Reform and Security Policy: The South China Sea Connection", *Survival* 37, no. 2 (Summer 1995): 52; MacIntyre, "Ideas and Experts", pp. 168–69. Harry Harding discusses these regional developments in more detail in "Cooperative Security in the Asia-Pacific Region", in *Global Engagement: Cooperation and Security in the 21st Century*, edited by Janne E. Nolan (Washington, D.C.: The Brookings Institution, 1994).
22. David Shambaugh, "Growing Strong: China's Challenge to Asian Security", *Survival* 36, no. 2 (Summer 1994): 51. China's aggressive behaviour towards Taiwan, especially after President Lee Teng-hui's visit to his alma mater, Cornell University, in June 1995 does not help its case in undermining this depiction of its intentions. China, of course, would regard the Taiwan issue as an entirely internal affair.
23. Banning Garrett and Bonnie Glaser, "Multilateral Security in the Asia-Pacific Region and its Impact on Chinese Interests: Views from Beijing", *Contemporary Southeast Asia* 16, no. 1 (June 1994): 25. See also Paul Evans, "Building Security: the Council for Security Cooperation in the Asia Pacific (CSCAP)", *Pacific Review* 7, no. 2 (1994); and Harding, "Cooperative Security in the Asia-Pacific Region".
24. Shambaugh, "Growing Strong", p. 50.
25. Adam Roberts, "The United Nations and International Security", *Survival* 35, no. 2 (Summer 1993): 3; and Roberts, "The Crisis in UN Peacekeeping", *Survival* 36, no. 3 (Autumn 1994).
26. *Beijing Review* 34, no. 3 (21–27 January 1991).
27. *Beijing Review* 36, no. 41 (11–17 October 1993). Chapter VII refers to Security Council action, including the use of force, to maintain or restore international peace and security; Chapter VI focuses on the pacific settlement of disputes.
28. *FBIS*-Chi-92-200, 15 October 1992. See also Qian Qichen's address on 23 September in *FBIS*-Chi-92-191, 1 October 1992.
29. U.N. General Assembly, 50th Session, 8th Plenary Meeting, 27 September 1995.
30. *FBIS*-EAS-93-190, 4 October 1993, p.32. See also the Malaysian representative's address to the General Assembly, 48th Session, 41st Meeting, 28 October 1993, and Anwar Ibrahim's speech to the 49th Session of the General Assembly, 5 October 1994.
31. U.N. General Assembly, 48th Session, 13th Meeting, 1 October 1993; 52nd Meeting, 28 October 1993; and 49th Session, 4 October 1994.
32. U.N. General Assembly, 50th Session, 14th Plenary Meeting, 2 October 1995, and 38th Plenary Meeting, 23 October 1995.
33. Presumably, the fact that China alone among the three states has nuclear weapons and missiles would also lead it to take a different position from the other two governments on, for example, the Missile Technology Control Regime and the Comprehensive Test Ban Treaty.

34. *FBIS*-EAS-92-116, 16 June 1992; U.N. General Assembly, 48th Session, 13th Meeting, 1 October 1993; Anwar Ibrahim to the 49th Session of the U.N. General Assembly, 5 October 1994; U.N. General Assembly, 50th Session, 12th Plenary Meeting, 29 Sept-ember 1995, and 37th Plenary Meeting, 23 October 1995.
35. See U.N. General Assembly statements referred to in note 34.
36. *FBIS*-EAS-92-190, 30 September 1992; Alatas' statement at the U.N. General Assembly 48th Session, 13th Meeting, 1 October 1993; at the 49th Session, 4 October 1994; and at the 50th Session, 14th Plenary Meeting, 2 October 1995.
37. Qian Qichen, as quoted in *Beijing Review* 36, no. 41 (11–17 October 1993): 9. See also his statement in 1994 to the U.N. General Assembly, in *Beijing Review* 37, no. 41 (10–16 October 1994).
38. *FBIS*-Chi-93-126, 2 July 1993 and *FBIS*-Chi-93-225, 24 November 1993; and Qian Qichen's address to the 49th Session of the U.N. General Assembly, 28 September 1994. During Boutros-Ghali's visit to Beijing in 1994, *Beijing Review* quoted him as stressing that "the enlarged Security Council will play exactly the same role". See *Beijing Review* 37, no. 39 (26 September–2 October 1994).
39. For a recent analysis that refers to China's U.N. behaviour, see Sally Morphet, "The influence of states and groups of states on and in the Security Council and General Assembly, 1980–1994," *Review of International Studies* 21, no. 4 (October 1995).
40. Speech given on 24 October 1995 and quoted in *Beijing Review* 38, no. 45 (6–12 November 1995): 21. Note, however, the use of the term "internationalization" rather than "globalization" — the former retains the focus on the state as the primary actor in this process.
41. Rosemary Foot, "Chinese-Indian Relations and the Process of Building Confidence: Implications for the Asia-Pacific", *Pacific Review* 9, no. 1 (1996); Banning N. Garrett and Bonnie S. Glaser, "Chinese Perspectives on Nuclear Arms Control", *International Security* 20, no. 3 (Winter 1995–96); Susan Shirk, "Chinese Views on Asia-Pacific Regional Security Cooperation", *NBR Analysis* 5, no. 5 (December 1994); and Armstrong, "Chinese Perspectives", p. 471. See also Wang, "International Relations Theory", pp. 497–98.
42. For example, see Mahathir's speech to the Asia Society Conference on "Asia and the Changing World Order", Tokyo, reported in *Star*, 14 May 1993.
43. For a helpful portrait of Wanandi, see MacIntyre, "Ideas and Experts", pp. 169–70.
44. Anwar, "Indonesia in a Changing Regional and International Environment", *IQ* 20, no. 4 (1992): 386; Wanandi, "Human Rights and Democracy in the ASEAN Nations: The Next 25 Years," *IQ* 21, no. 1 (1993):14–15; and Habib, "The Post-Cold War Political-Security Landscape of the Asia-Pacific Region", *IQ* 22, no.1 (1994): 51.
45. *FBIS*-EAS-92-171-S, 2 September 1992; and *FBIS*-EAS-93-009, 14 January 1993.
46. Or as Thomas Robinson has recently put it, to maximize the benefits of interdependence in resource terms, while avoiding the political, economic, and military costs. See "Interdependence in China's Foreign Relations", in *China and the World: Chinese Foreign Relations in the Post-Cold War Era*, edited by Samuel S. Kim (Boulder, Col.: Westview Press, 1994), pp. 190–92.
47. The term is used in Barry Buzan and Gerald Segal "Rethinking East Asian Security," *Survival* 36, no. 2 (Summer 1994): 11.
48. For a discussion of the difficulties in the bilateral relationship in the mid-1990s, see David Shambaugh, "The United States and China: A New Cold War?" *Current History* 94, no. 593 (September 1995). Tensions surrounding the recent presidential elections in Taiwan have exacerbated the situation still further.

49. For an argument outlining the need to extend democracy to the international realm, see David Held, "Democracy: From City-States to a Cosmopolitan Order", in *Prospects for Democracy: North, South, East, West*, edited by David Held (Cambridge: Polity Press, 1993).

ROSEMARY FOOT is the John Swire Senior Research Fellow in the International Relations of East Asia at St Antony's College, Oxford, and the current director of the College's Asian Studies Centre.

Contemporary Southeast Asia, Volume 18, Number 1, June 1996

A Paradigm of Autonomy: The Hong Kong and Macau SARs

ARNALDO GONÇALVES

The post-industrial era has witnessed a growing demand for regional autonomy within existing nation-states, side by side with other political independence claims. Autonomous regions within unitary states are perceived by states and the international community at large as subjects of international relations and a repository of their own international personality. Among the countries that host these new trends, the People's Republic of China is attracting world-wide attention with the forthcoming creation of the Hong Kong and Macau Special Administrative Regions (SARs) whose special status is outlined by international covenants and domestic laws. This constitutes a special occasion to monitor readable examples of autonomy in a sovereignty mega-context. The article outlines a paradigm of autonomy for the Hong Kong and Macau SARs within the framework of China's political and constitutional system.

Introduction

The issue of national sovereignty and its accompanying endogenous and exogenous limitations, imposed by active democratic participation, along with the need to exist in a broader context, has been channelled into the creation of organizations and fields of regional economic co-operation, starting with EFTA (European Free Trade Area), the Commonwealth, the European Communities and, more recently, NAFTA (North American Free Trade Area).

This trend towards multilateral co-operation at a regional level, or rather, towards an assumed self-limitation of sovereignty, has marked a decisive step forward in international and constitutional law in the last few decades, and a middle path between universal and nationalistic approaches to co-ordinating interests between states.

Nevertheless, there are reasons to believe that this trend may regress, unable to resist the difficult process of stabilizing the political and constitutional model of the new countries that have recently joined the international community and the emerging tendency that has been seen in the newly industrialized countries (NIC) of Southeast Asia.

This is due, first of all, to the fact that the newly emerging international order is multilateral and not bilateral (as it was until the late 1980s) and is consequently less clear-cut in terms of structure and the tiering of national, regional and bloc interests.

Secondly, this multipolarity facilitates the demands for greater sovereignty voiced by small states which derives from immediate political interests. This brings states' individual stances on defence and security into conflict with the network of interdependence resulting from the impetus of the globalization of modern economic trade and technological relations.

Thirdly, this creates new difficulties in the activities of international agencies to smooth the process of creating new states or the increasing assertion of greater autonomy by communities and ethnic minorities inside large countries.

This raises the delicate question of whether the design of the constitutional superstructure should closely follow the states' economic bases in a horizontal mode, making it easier for them to become more integrated, or whether it should inspire the ultimate reason of *l'interêt de l'État* to emphasize concerns of territorial integrity, national unity or national independence so as to give preference to a unitary state solution.

In other words, the question arises whether the federal solution as perceived by classical constitutionalists[1] is, in spite of everything, a universal mode that can be applied as a more effective response to the growing need of regions within states to assert themselves.

This provides a constitutional way out of the contested process of regional independence from larger states which, after all, give them the support they need in resisting neighbouring states' expansionist tendencies.

Or, on the contrary, is the unitary state the most appropriate constitutional form of government for regions, in exchange for security and survival guaranteed by the central power, to enjoy political, social and economic autonomy that is genuine and, consequently, more likely to become reinforced?

Presented in these terms, this two-sided question not only involves theoretical concepts which raise very difficult antithetical arguments, but is increasingly brought into focus with regard to the peoples and assertive political communities which emerged from the collapse of the Soviet Union and Eastern Europe. More significantly, the question arises because of the threats that the new world map imposes on the beliefs and ambitions of the People's Republic of China (PRC).

China will be resuming its sovereignty over Hong Kong and Macau, which have been for several centuries parts of the British and Portuguese empires respectively. Taiwan needs to bridge the gap with the mainland that has existed since the 1940s when the island was occupied by the forces of the Government of the Republic of China after they fled there from the communists on the mainland. In the eyes of the PRC government, Taiwan remains an integral, unalienated part of Chinese territory.

It is well known that the right of political communities, peoples and cultural or religious minorities to self-determination when they have been oppressed by powerful countries — as part of, or separate from, the process of decolonization in the former European colonies in Africa and Asia — is particularly welcomed by international law and systematically recognized by international covenants, by the Charter of the United Nations, and by the jurisprudence of the International Court of Justice.[2]

Nevertheless, several territories have encountered reluctance on the part of the international community in recognizing them as states. One refers to colonial enclaves and other kinds of dependent territories which, because they fail to fulfil the requirements for statehood — a permanent population, a defined territory, a government, a capacity to enter into relations with other states — do not qualify for self-determination.[3] Of all the existing non-self-governing territories at the end of the 1970s, only six could be seen as having opted out of self-determination: Belize (British Honduras), the Falkland Islands, Gibraltar, Hong Kong, Macau, the Panama Canal Zone, Mayotte, and the British Indian Ocean Territory.[4]

In the specific case of Hong Kong and Macau, the possibility of their being sovereign states independent both from their colonial guardians and from their future return to the PRC was never really an issue.[5]

Both territories were mentioned in United Nations' texts as colonial enclaves[6] — in other words, small territories claimed by a neighbouring state that does not exercise sovereign power — as non-elected for the purposes of Chapter XI, Article 2 of the Charter, and consequently excluded, at China's request, from the list of territories to which the Colonial Declaration could be applied.[7]

The future status of both territories was apparently sealed with the signing by Great Britain and the.PRC, and Portugal and the PRC, respectively, of the Joint Declarations on the Question of Hong Kong and Macau. These state that the Government of the PRC will resume the exercise of sovereignty over Hong Kong, with effect from 1 July 1997, and over Macau with effect from 20 December 1999. In accordance with the provisions of Article 31 of the Constitution of the PRC, a HK Special Administrative Region (HKSAR) and a Macau Special Administrative Region (MSAR) will be established "upon resuming the exercise of sovereignty".[8]

Both the Joint Declarations and the Basic Laws, already enacted by the National People's Congress and promulgated by the President of the PRC, promise that Hong Kong and Macau will enjoy a high "degree of autonomy except in foreign and defence affairs which are the responsibilities of the Central People's Government".[9]

The polemical issue presented by the Autonomous Region of Tibet and Taiwan, in their efforts to gain greater support from the international community in their struggle for independence, introduces a new factor of uncertainty in the evolution of China's constitutional model that invites broader debate about the unbalanced situation threatening the formation of new regional autonomies and the continuation of the principle of "One Country, Two Systems".

The Chinese Autonomy Model

Historical Background

During the last four centuries, China's history has been marked profoundly by fratricidal struggles between regions and kingdoms, interspersed with brief periods of national unity.

From the fifth to the seventh centuries BC, bloody wars raged between the seven great Chinese kingdoms, culminating in the Qin dynasty gaining control over the others. Between 221 and 207 BC a powerful feudal state was created under the iron hand of Qin Shihuang, China's first emperor. This period was followed by the Han dynasty (206–220 BC) which laid down the basis for a modern Chinese state under the control of an emperor who, unlike his predecessor, was forced to share power with regional and provincial governors who constantly challenged his authority.

Between the second and third centuries AD, China was invaded by the Mongols and the country divided into small kingdoms (Wei, Wu and Shu), disintegrating even further with the crumbling of the Jin dynasty in the fourth century into a set of states in the north (the dynasties of the north) and the south (the Six dynasties).

This was followed by two periods of national unification under two military leaders, General Yang Jin (Sui dynasty, 541–604) and General Li Yuan (Tang dynasty, 618–906), marking one of the most outstanding eras in Chinese civilization.

With the fall of the Tang dynasty, China once again suffered from a north-south divide with the Liao dynasty in the north (907–1125) and, to the south, the Five dynasties (907–960). The Song dynasty (960–1279) heralded a new period of splendour in China although without achieving national unification. In 1233, the Mongols invaded China and Kublai Khan became emperor and reunifier of the empire, controlling what was the first foreign dynasty, the Yuan (1271–1368).

It was one of the generals in the imperial army, Zhu Yuanzhang, who sounded the death-knell of the Mongol dynasty, leading several uprisings against the foreign occupation. Capturing the south of the country first and then the north, the Mongols were pushed behind their original frontiers. This general was the first to reign in the Ming dynasty with its capital in Nanking, leading to one of the most absolute monarchies in China's history. The Ming dynasty lasted until the mid-seventeenth century, unifying the country, extending its territorial boundaries, and reducing contacts with foreigners.

A fresh invasion, this time by the Manchus in 1644, ended the Ming dynasty and opened the way for the Qing (1644–1911) which lasted until the end of the empire. Under Emperor Kangxi, China extended its territory to Tibet and Central Asia, although the dynasty reached its peak of glory under Emperor Qianlong (1736–95).

European incursions into China increased during the Qing dynasty. In 1860 China was defeated by the British in the Opium Wars, by the French in 1860, and in 1900 by a coalition of Western powers in the Boxer Rebellion. This wave of defeats and humiliation wrought by foreign domination sowed the seeds of Sun Yat Sen's nationalist revolution which brought the imperial house to its knees, paving the way for the Republic and, accompanying it, the attempt to liberate those parts of the country under foreign control.[10]

On 14 August 1917, China declared war on Germany and the Austro-Hungarian empire, beginning World War I and revoking all treaties with foreign countries enjoying extra-territorial rights and other privileges on Chinese soil.[11]

Domestically, Sun Yat Sen resigned leadership in favour of Yuan Shi-Kai, the principal military figure in the Kuomintang army. Allied to Western powers, Japan put pressure on China, taking the port of Qingdao, occupying parts of Shandong province and presenting China with a series of demands, "The Twenty One Demands", which were aimed at reducing the country's status to that of a Japanese colony. Yuan Shi-Kai gave in to a large part of the demands. The warlords took control of the north of the country and divided the territory into feudal tenures protected by private armies which were plagued by in-fighting due to the ineffectiveness of the Republican government.

In 1917, Sun Yat Sen set up a separate provisional government in Canton in an attempt to regroup an army capable of recapturing the north. This lasted for a while with the support of the communists. In May 1919, a mass movement began — the May Fourth Movement — in protest against the allies' consent to Japan taking over German concessions in China and against the warlord government in Beijing. The death of Sun Yat Sen in late 1924, and the transfer of power into the hands of Chiang Kai Shek at the heart of the Kuomintang, led to the 1927 repression of the communists and other internal opposition in Shanghai, unleashing the gates of a civil war which raged, apart from a brief period of respite under the United Front against the Japanese invaders between 1931 and 1941, until the founding of the People's Republic of China in 1949.

The first stage of the construction of New China was marked by a clear intent to achieve national unification, recuperate the bankrupt economy caused by the twenty-year civil war and the drain on the nation's financial reserves and treasures caused by the Kuomintang's retreat to Taiwan. What is clear is the way in which the communists emphasized the issue of national unity as the basis for their constitutional system.

The Constitutional Framework

The Constitution of the People's Republic of China states, in its preamble, that:

> After waging protracted and arduous struggles, armed and otherwise, along a zigzag course, the Chinese people of all nationalities led by the Communist Party of China with Chairman Mao Zedong as its leader ultimately, in 1949, overthrew the rule of imperialism, feudalism and bureaucrat-capitalism, won a great victory in the New-Democratic Revolution and founded the People's Republic of China. Since then the Chinese people have taken control of state

> power and become masters of the country ... Both the victory in China's New-Democratic Revolution and the success in its socialist cause have been achieved by the Chinese people of all nationalities ... Taiwan is part of the sacred territory of the People's Republic of China. It is the inviolable duty of all Chinese, including compatriots in Taiwan, to accomplish the great task of reunifying the motherland ... The People's Republic of China is a unitary multinational state created jointly by the people of all nationalities. Socialist relations of equality, unity and mutual assistance have been established among the nationalities and will continue to be strengthened.[12]

Article 2 emphasizes that "all the power in the People's Republic of China belongs to the people" and that the "National People's Congress and the local people's congress at various levels are the organs through which the people exercise the power". Article 3 elaborates on the philosophy behind the State's organization of power, establishing that: "The state organs of the People's Republic of China apply the principle of democratic centralism" and that "the division of functions and powers between the central and local state organs is guided by the principle of giving full scope to the initiative and enthusiasm of the local authorities under the united leadership of the central authorities".

Concerning the constitutional basis underlying the organization of the unitary state which is China, it is difficult to discern, in the constitutional text, any homogeneous, systematic framework for the various autonomies to which it points. Article 4, in discussing the nationalities, states that: "The state protects the lawful rights and interests of the minority nationalities and upholds and develops a relationship of equality, unity and mutual assistance among all of China's nationalities".[13] It emphasizes that:

> Regional autonomy is practised in areas where people of minority nationalities live in concentrated communities; in these areas organs of self-government are established to exercise the power of autonomy. All national autonomous areas are integral parts of the People's Republic of China.

Further on, in Article 30, it is stated that "the administrative division of the People's Republic of China is as follows: (1) The country is divided into provinces, autonomous regions and municipalities directly under the Central People's Government; (2) Provinces and autonomous regions are divided into autonomous prefectures, counties, autonomous counties and cities; (3) Counties and autonomous counties are divided into townships, nationality townships and towns. Municipalities directly under the Central Government and other large cities are divided into districts and counties. Autonomous prefectures are divided into counties, autonomous counties, and cities. All autonomous regions, autonomous prefectures and autonomous counties are national autonomous areas".

A new constitutional provision, introduced at the Seventh National People's Congress under Article 31, highlights that:

> The State may establish special administrative regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by law enacted by the National People's Congress in the light of the specific conditions.

This situation belies a certain lack of consistency in the multiple approach the Chinese Constitution takes with regional autonomy. In other words, these articles indicate different levels of value attributed to autonomy[14] which has led to doubts among analysts as to the significance and actual worth of autonomy within the framework of a socialist country subject to a democratic people's dictatorship and guardian of the principle of democratic centralism.[15]

In the words of John D. Young,[17]

> the traditional Chinese claim of centrality (*dayitong*) is part and parcel of China's willingness to allow a high degree of autonomy (within the Special Administrative Region of Hong Kong, China). Although a long-term goal, the ultimate purpose here is not so much the stability and prosperity of Hong Kong, but the fundamental disappearance of regionalism in the Chinese territorial context. A strong and capable central government exerts its sovereignty over all China. In other words, centrality ... means a unified strong and prosperous China .... From the perspective of Chinese history and traditional political culture, however, the tension between the central authority and local forces has always been a great one. But at the same time, as long as regional influences were subjected to the control of the centre, the emergence of an equilibrium actually helped to maintain a unified China. The Chinese Communist obviously does take into consideration this central-local dichotomy, and, as a matter of fact, tries to exploit its variations for more effective control. Still, the central government makes it clear now and then that the ultimate source of power radiates from the centre to the regions and not vice-versa.

Given this yardstick, the first comment to be made is that the concept of autonomy must be placed within the Chinese context. This has also been emphasized by David J. Clark[17] in an overarching context that is partially a response to excessive centralization. Secondly, it provides a way of promoting economic development by preserving the economic system and by using it to attract foreign technology and capital. Finally, it is a way of achieving national unity across Chinese territory, including even those areas which, for historical reasons, have been under separate foreign control.

The first argument is valid for the autonomous regions,[18] as a form created for resolving situations in which ethnic diversity exists, ensuring the economic development of regions without major resources of their own and for achieving the ultimate goal of national unity. The second argument can be applied in the case of the special economic regions and the coastal cities open to foreign investment.[19] The third argument is based on the creation of the Hong Kong, Macau and Taiwan special administrative regions.

This is why the nature of the Basic Laws of the special administrative regions already created should be debated, using as a starting point the very meaning of the Laws and Joint Declarations but without, however, forgetting that their approval has been legitimized under the terms of Article 24 of the Constitution and not, as some analyst might erroneously conclude, because they override the Constitution itself; this could never be the case given the hierarchy of laws in the Chinese legal system.

A Case Study of Two Basic Autonomies

The Sino-British Joint Declaration on the question of Hong Kong and the Sino-Portuguese Declaration on the question of Macau both make provision for the establishment of a special administrative region — the Hong Kong Special Administrative Region and the Macau Special Administrative Region, respectively — according to the "One Country, Two Systems" model of autonomy, after China resumes sovereignty over the territories. These regions will fall directly under the authority of the Central People's Government of the People's Republic of China. The Hong Kong Special Administrative Region (and the MSAR) will enjoy a high degree of autonomy, except in foreign affairs and defence matters which shall be the responsibility of the Central People's Government.[20]

In internal affairs, the Joint Declaration states that: "The Hong Kong Special Administrative Region (or the MSAR) will be vested with executive, legislative and independent judicial power, including the final adjudication. The laws currently in force in Hong Kong (or Macau) will remain basically unchanged".

In accordance with these Joint Declarations, the governments of the SARs will consist of local residents. The Chief Executive shall be appointed by the People's Central Government on the basis of elections or consultations held in Hong Kong (or Macau).

The legislative body shall also be composed of local residents and shall consist of a majority of elected members. The legislative body may on its own initiative issue laws in accordance with the provisions of the Basic Law and legal procedures and shall report them to the Standing Committee of the National People's Congress for the record.

In external affairs, the Joint Declarations state that: "The HKSAR (or MSAR) may establish mutually beneficial economic relations with ... other countries, whose economic interests in Hong Kong (or Macau) will be given due regard" and "using the name of 'Hong Kong, China' (or Macau, China) ... may on its own maintain and develop economic and cultural relations and conclude relevant agreements with states, regions and relevant international organisations".[21]

These provisions of the Joint Declarations thus give a clear definition of the extent of internal and external autonomy of the SAR, which is interlinked with the very concept of the People's Republic of China's sovereignty. Point 2, paragraph 1 in both Declarations is clearly anchored in Article 37 of the PRC's Constitution which regulates the power to establish SARs and places barriers on the autonomy given by reserving matters of defence and foreign affairs for the jurisdiction of the Central People's Government. Both the Joint Declarations and, more recently, the Basic Laws,[22] do, however, permit the authorities of these regions a reasonable margin concerning foreign affairs. In Article 13 of both Basic Laws, it is stated that:

> The Central People's Government shall be responsible for the foreign affairs relating to the Hong Kong Special Administrative Region (or MSAR). The Ministry of Foreign Affairs of the People's Republic of China shall establish an office in Hong Kong (or Macau) to deal with foreign affairs. The Central People's Government authorises the HKSAR (or MSAR) to conduct relevant external affairs on its own in accordance with this Law.

Article 14 of the Basic Laws also emphasizes that "The Central People's Government shall be responsible for the defence of the HKSAR (or MSAR). The Government of the HKSAR (or MSAR) shall be responsible for the maintenance of public order in the Region".

Similarly, in the field of foreign relations, Article 116 of the Hong Kong Basic Law and Article 112 of the Macau Basic Law dealing with international economic relations, and Chapter VII of both laws, entitled "Foreign Affairs", explicitly define the same set of provisions affecting the external dimension to the broad autonomy of the Regions:

1. To be a separate customs territory;
2. To participate in relevant international organizations and international trade agreements;
3. To be a member of delegations of the People's Republic of China in negotiations at diplomatic level;
4. To maintain and develop relations, and conclude and implement agreements with foreign states and regions and relevant international organizations;
5. To participate on their own in international organizations and conferences;
6. To maintain the application in the Region of international agreements that have already been implemented;
7. To host consular and other official and semi-official missions, with the approval of the Central People's Government.

From these points contained in the Joint Declarations and the Basic Laws, one can deduce that despite the traditionally rigid Chinese approach to territorial sovereignty — according to which it exercises jurisdiction over persons and goods throughout its territory to the exclusion of all other states and without admitting any opinions as to how this is done — the concept of a high degree of autonomy can be properly interpreted as bestowing a very special territorial status on the Regions, or as a first level of constitutional autonomy compared to the other examples which have been discussed.

Naturally, this is not complete autonomy, synonymous with "two/three sovereign states within one country" or "two/three competing political entities within one country" which would be unacceptable to a unitary multinational state created jointly by people of all nationalities. Rather, it is an autonomy by the exercise of powers of national unity and territorial integrity by the organs of the central power.[23]

Consequently, the granting of autonomy cannot be regarded as a means to an end. This is a pragmatic policy which may or may not continue beyond the period defined in the international agreements — "the above-stated policies of the People's Republic of China regarding Hong Kong/Macau and the elaboration of them in Annex 1 to this Declaration will be stipulated, in a Basic Law … and they will remain unchanged for 50 years" — shall depend on economic conditions and favourable policies.[24]

Observers identify this special status as a middle way between the associated state and various internationally recognized models of internal autonomy.[25]

In terms of the legal framework mentioned above, it can be described as a special status of internal autonomy within a unitary socialist state with a set of factors which shall constitute the yardstick of autonomy. On the one hand lies the fact that the power to interpret the Basic Law and to amend it belong, respectively, to the Standing Committee of the National People's Congress and the National People's Congress of the PRC — *ex vi* Articles 158 and 159 of the Hong Kong Basic Law, and Articles 143 and 144 of the Macau Basic Law. On the other hand, the central government has the power to appoint the Chief Executive in an autonomous system in which the executive body dominates the legislative body. However, one should stress the broad powers of initiative which the SARs enjoy, the narrow areas in which these powers are subject to supervision by the Chinese Government, and the principle of consultation with the governments of the SARs on all affairs concerning them, although they shall still be dealt with under the reserved competencies of the central government.

This autonomy, then, deviates from what is generally allowed of member states of federations and unions of states, or of autonomous regions in the context of recent European constitutional experiences.

This gives it a para-constitutional dimension which, in spite of the reluctance shown by the Chinese authorities and some authors, is clearly written into the Basic Laws, nurturing expectations that ensuing success may provide a precedent for dealing with other, insoluble, polemical autonomies.[26]

Development Perspectives for the Autonomous Model

There are problems in looking at the future development of autonomy in the People's Republic of China, given that its continuation depends clearly on the state and power regime that China will choose in the next millennium. Nevertheless, it is possible to extrapolate three kinds of development: the unitary path, the federalist path, and the path towards independence.

However, it should first be pointed out that Chinese political thought has always been characterized by the concept of political power emanating from the top. Power, in these terms, derives from a higher moral entity — formerly the emperor — represented in China's current political regime by Mao Zedong thought. The definition of policies derives primarily from the centre to the periphery and is automatically transmitted through the state apparatus. The bureaucracy has always operated as an autonomous factor guided by the Confucianist spirit of paternalism rather than by conformance to the law,[27] a concept which has only recently come into existence as a positive right.

Although associated with the dominant communist ideology, government control of individual autonomy is rooted in the role that the bureaucracy — the state apparatus — played in the Chinese empire in times past: it is a tool which holds the nation together, maintains social discipline and restrains individualistic tendencies in the name of the common good.

This explains much of the restricted significance of fundamental individual rights within the Chinese constitutional and legal framework.

The Unitary Path

Both the territories of Hong Kong and Macau have enjoyed a high degree of economic development despite a lack of democratic, multi-party representation. This could place the continuation of democratic life in the two territories at risk for the simple reason that they are not independent entities but sub-divisions of China. They enjoy a considerable degree of autonomy in the economy, social and cultural affairs and are separate political systems while remaining connected to a non-democratic — and so, by definition, authoritarian — system.

As Professor Yash Ghai highlights,[28] Hong Kong and Macau will not be identical constitutional twins under Chinese sovereignty, although they will share broadly similar relationships with China; their own systems will differ in important ways, reflecting history and metropolitan traditions, and the contemporary balance of forces.

This is why the statement concerning autonomy made clear in the Basic Laws has actually encouraged a degree of self-affirmation, making it suitable and flexible for the creation of a Great China, which could include Taiwan.

This is the official Chinese stance, reflected in the "One Country, Two Systems" slogan:

> the main system in China must be socialism. The one billion people on the mainland will continue to live under the socialist system, but a capitalist system will be allowed to exist in certain areas, such as Hong Kong and Taiwan ... Reunification of the motherland is the aspiration of the whole nation. If it cannot be accomplished in 100 years, it will be in 1,000 years. As I see it, the only solution lies in the implementation of two systems, one country.[29]

The unitary path which is now constitutionally institutionalized has obvious advantages, given the checks and balances allowed by the Basic Law. It values regional, autonomous assertion without breaking the national unity and territorial integrity which are regarded as essential for the survival of China, a potential leader in its own geographical region. It is thus a natural solution for Hong Kong and Macau.

As a model, it does not appear to prevent Taiwan's political institutions from being inserted into the structure of Special Administrative Regions, given the flexibility and cultural, linguistic and ethnic identity which developments in relations between the two sides would promote. The recent heightening of tensions between the two sides in response to Taiwan's assertive stance on the international stage with President Lee Teng-hui's visit to the United States in June 1995 is, due to tactical reasons, connected with the forthcoming change of leadership in mainland China and the difficulties the current Kuomintang leadership in Taiwan is facing in its own political survival, having failed in its goal of replacing the communist regime on the mainland by returning the Nationalist Government to Beijing.

It would be unreasonable, however, to proceed with any decision to integrate Taiwan into the People's Republic of China without a majority agreement from the island's population, which is still very undecided and divided as to the political solution for the island and the good faith of the mainland politicians.

Of course, there are no absolute guarantees that the model enshrined in the Joint Declarations will be preserved, and actions restricting the autonomy of the regions, publicized in Macau or Hong Kong, would be unlikely to attract the attention of the international community. Even if they did, they could not be contested, given the absence of a Constitutional Court at the top level of the constitutional system.

It is hard to believe, however, that the People's Republic of China would be willing, irrespective of internal circumstances or external balances, to call into question its ability to honour international undertakings as enshrined in the two Joint Declarations.

In closing, it should be mentioned that this model has also operated in areas which have historically asserted their autonomy, such as the Basque Country (Euzkadi) and Catalonia in Spain, the linguistic communities in Belgium, Italy's Autonomous Regions, Greenland in Denmark, the Dutch Antilles in Holland, the Nicaraguan communities in the Atlantic coast, and the autonomous regions in the Philippines.

The Federal Path

The shift from a unitary state to a federal state is a perfectly acceptable development, both from the point of view of international law and from the near-at-hand national constitutional system. In theoretical terms, this is a possible, although not foreseeable, development in the case of

China both because of historical reasons and the causes created in the current context.

As emphasized above, China has, throughout its history, encountered major difficulties in managing and solving the problem of tension between central and regional power. When tension reached breaking point, as a result of the centre's authoritarianism when confronted with peripheral assertions, there would be civil war from which either one of the contenders or a foreign enemy would emerge as victor, to reunify with an iron hand the empire and subjugate — for a time — the autonomous areas.

This concentration of power in the centre can be understood in centuries past when control of access to sources of raw materials, the productive, the bureaucracy and the apparatus of production were clearly the domain of the central government. This was no more the case when the management of the economy, the administration and the state sector were decentralized in accordance with the policy of "opening to the outside world" which encouraged regional powers to play a primary role in political decision-making for provinces and special regions open to the outside.

Consequently, these regions — Special Economic Zones, Coastal Cities, Special Administrative Regions — now have an assertive, operative power which would not be easily curtailed, even with authoritarian measures from the centre.

Concerning the future Special Administrative Regions — including Taiwan — there has been a political, legal and economic hiatus from the motherland which cannot be camouflaged, ignored or eliminated. Despite their formal dependence on colonial and administrative powers, it is due to their own efforts that Hong Kong and Macau have reached their current stage of development. There has been no remarkable level of foreign assistance or, truth be told, interference or control by the European powers set at a prudent distance. Their own governmental bodies have gained the ability to adapt to circumstances, which explains why they have been maintained in the political structure of the Basic Laws when it would have been more logical to copy the models of the existing autonomous regions.

Taiwan has had a unique experience. It is not a state as it has never been claimed or recognized as such. Today it enjoys the status of a *de facto* local government resulting from a civil war.[30] This special situation is heightened by the fact that both Chinese governments are recognized by the international community, especially the United States.

Both governments claim to represent the entire Chinese territory. The government of the PRC proclaims Taiwan as "an integral part of

China" and states that "China can institute two systems within one and the same country"[31] while the Nationalist Government in Taiwan was toppled from power illegally by the communists, losing its sovereign power over the Chinese continent.

It would be tempting to elaborate on the notion that the federal solution could provide an alternative framework for Taiwan's reunification with the mainland. First, because it would be difficult to convince the island's population to accept reforms in the political system which might lead, for example, to the suppression of the highly debated multiparty system. Secondly, this solution might be regarded as the most convenient from the perspective of the United States and the West, permitting a solution for the delicate issues of regional security and international representation for China and Taiwan's administration. Thirdly, this measure may be better able to respond to the apparently opposed demands of unity and territorial integrity and autonomy versus decentralization and an autonomous lifestyle.

It should be noted, however, that both federalism and political regionalism — the organization of the unitary state in centres of administrative and political power endowed with regional political, legislative and administrative powers — are balancing acts of independence and centralization which can be larger or smaller and bring together different political systems.

The USSR, Czechoslovakia and Yugoslavia were historical examples of federated states inspired by Marxist-Leninist political philosophy. The United States, Australia, Brazil, Switzerland, Germany, Malaysia, Canada, India, the United Arab Emirates are examples of federations of political systems with the opposite philosophy and with a wide variety of ethnic, religious and cultural compositions.

Federalism is, by definition, the result of this heterogeneity, of the discontinuation of cultural differentiation. The crux of the federal system is a constitution or basic law which provides two kinds of divisions: a division of state territory into a certain number of sections (states, cantons or republics); and a division of power between the central government and the various regional powers, each one of which holds authority in a certain area under its jurisdiction. The states each have equal status and do not answer to a higher body but rather to the federal constitution. As far as foreign affairs are concerned, powers are exclusively vested in the federal authorities.[32] If, in a unitary state, regional power is exercised by delegation of the central government — which by definition can reduce power or revoke legislation allowing this power — in a federal state the legislative body of the federation may not interfere in the legislative body of the member state. Only the federal constitution can produce the dual tiers of government.

For international law and international organizations, only the federal state, and not its member states, is regarded as a state. This marks the difference between federations and confederations.[33]

If we take into account these features, there appear to be no constitutional constraints on China developing from a unitary state to a federal state.

Given, however, that this would not be a natural progression in view of the thirst leaders at national level have for centralization, it will depend on the role played by the regions and their own political leaders, their ability to promote the interests they represent in Beijing, and the weight they carry in the State power organs.

'If these regions take on a positive role and function over the next twenty years, federalism could be regarded as the natural solution most appropriate to China's geographical expanse, diversity and cultural variety.

The Separatist Path

Frequently, the establishment of a new state takes place in a part of the territory of a former state. This situation is usually described as secession and may or may not involve the use of force. Reference can be made, in this context, to Eire in relation to Great Britain from 1921 to 1949, the separation of Iceland from Denmark, Panama's independence from Colombia, and Singapore's separation from Malaysia. All the struggles for national liberation which in Africa, in Central, North and South America, and in Asia led the populations of colonies and overseas possessions of European imperial powers to self-determination and independence will be discussed first.

The specific case of Singapore has been used by supporters of the separatist path to characterize a solution which could be applied in virtually all its aspects to the Chinese state and even Taiwan's own situation.

Firstly, it demonstrates how a largely Chinese community which was cut adrift from a predominantly Malay community was able to find its own territory and build it through its own efforts into an area that allowed it to assert its own identity and surpass the community from which it sprang within a few years.

Secondly, it proves that the right to self-determination did not expire with the decolonization of the possessions of the European empires. Rather, it is a natural, constant right of any people or community which is politically aware of its uniqueness.[34] It demonstrates that Asia is still in the process of change and its future form will be shaped by the assertiveness of newly independent regions in East Timor, the Philippines, India, Sri Lanka and, in the future, in Indonesia and China itself.

The independence model clearly involves a break with the status quo represented by Hong Kong's and Macau's integration into China as SARs if China proves unable to respect its undertakings with Great Britain and Portugal to resolve the legacy of history in a peaceful manner.

In view of this, it would be the populations of the two territories, rather than the administrative powers, which would exercise this right, a possibility which is not eliminated by the Joint Declarations or the Basic Laws.[35] As far as Taiwan is concerned, this is the solution which is currently favoured by some of the major political forces and the younger generations who have created a separate cultural identity on the island which is physically separate from the country their parents left and with which they have little or nothing in common, other than a common ethnic inheritance.

The political judgement of the forces in existence and questionable support from the international community make this an improbable, if not impossible, approach.

Conclusions

China is confronted with a challenging stage in its history filled with difficulty, yet also with major opportunities for its younger generation.

China was marked in a dark period of its recent history by foreign occupation, yet in its negotiations with Great Britain and Portugal, through the quick-wittedness of its leadership, the country has managed to create genuinely unique situations, handed down by history, for the exercise of regional autonomy within a unitary state.

Pushed into action by the Joint Declarations on Hong Kong and Macau, and drained by the Basic Laws of the Special Administrative Regions, the government of the People's Republic of China found a method for allowing territories with different political, social and economic systems from that of the power centre to be created on national soil, handing to the local political bodies, and to the people the formal guarantees for the exercise of this unique autonomy.

Obviously, any act involving the devolution of constitutional powers from the centre to the periphery implies an ability and determination on the part of the recipients to take on this role and to react, with the constitutional means at their disposal, to any attempt to expropriate or disturb this endowment.

The letter and spirit of these international conventions both permit and guarantee this.

Speculation as to the development of the Chinese constitutional model is not an easy task. It will be linked to developments in the political process and, consequently, will depend on the choices made by the élite leadership and the continuation of the socialist system in China, and the overwhelming influence of the Communist Party in matters of State, the administration and even the economy.

The regions will most probably continue to enjoy effective flexibility and autonomy in managing their resources and in creating the checks and balances needed for their own governing bodies, given that this also promotes the strategy followed by the Chinese authorities and the developmental path chosen for international integration. To this extent, both Hong Kong and Macau have the mechanisms and the conditions required for this, which would allow them to become a new paradigm or autonomy.

This paradigm within a unitary, anti-federal state devoted to democratic centralism could be an example for countries in Asia and the Middle East which are seeking constitutional solutions for the abundant ethnic, cultural, linguistic and racial diversity which is the endowment of the modern world.

NOTES

1. According to Michael Akehurst in *A Modern Introduction to International Law* (London: George Allen & Unwin Ltd, 1985), unions of states may take one of several forms but the only truly significant union is the federal state or federation. It is thought that half the world's population lives under some kind of federal government. The basic feature of this kind of state is that power over domestic affairs is constitutionally distributed between federal authorities and member states of the federation while foreign affairs are the exclusive responsibility of the federal authorities.
2. The right to self-determination of peoples and dependent entities was recognized, for example, in the U.N. Resolution of 12 December 1958, in Resolution No. 1514 (Declaration on granting of independence to colonial countries), and lately in 1970 and 1975, by other Resolutions of the U.N. General Assembly. The United Nations Charter itself declares that the establishment of international relations on the "principle" of self-determination was one of its crucial purposes, mainly in Article 1, paragraph 2.

   The "International Covenant on Economic, Social and Cultural Rights" and the "International Covenant on Civil and Political Rights" with its "Optional Protocol" conclude, on an international level, that accurate recognition of the right of all peoples to freedom and self-determination, is a right claimed by a "people" to control its own destiny. The International Court of Justice recognized that right, for example, in the cases of Namibia and the Western Sahara.

3. James Crawford refers in *The Creation of States in International Law* (Oxford: Clarendon Press, 1979), p. 377, to S. Joao Baptista di Ajudá, and the French possessions and Portuguese enclaves in India, Gibraltar, the Western Sahara and East Timor as examples of these special entities.
4. Ibid., pp. 377–84.
5. Only one legal commentator asserts this possibility, linking it to a heightened political awareness among the people of Hong Kong. See Roda Mushkat in "Hong Kong as an International Legal Person", *Emory International Law Review* 6, no. 1 (Spring 1992): 124.
6. Hong Kong was made a British colony in 1842 and has functioned as such since that date. According to the Treaty of Nanking, Hong Kong Island was ceded to Great Britain, in perpetuity, after the British victory in the First Opium War. Kowloon Peninsula was ceded to Great Britain in 1860, in the light of the Convention of Beijing, and the New Territories were leased for 99 years under the terms of the Treaty of Beijing of 1898 after China was defeated by Japan in the 1894–95 war. On a constitutional level, a Letter of Patents and the Orders in Council endow these territories with colonial status, integrated into the British Empire.

   Macau began as a Portuguese trading settlement on the eastern coast of China, created in 1557 and continued with a special constitutional status during the sixteenth and seventeenth centuries, with a divided or mixed jurisdiction. The contribution of a ground rent (*foro do chao*) from the Macau authorities to the Emperor, the definition of the city limits through the construction of the Barrier Gate (*Portas do Cerco*), and its physical separation from the mainland, are features that distinguish Macau's special status as a leasehold over which the Portuguese enjoyed sovereignty. This confusion of status and effective shared sovereignty remained until 1783, when the Queen of Portugal, D. Maria I, issued the *Providências Régias* (Royal Provisions), reinforcing the powers of the Governor as representative of the crown and of Portuguese sovereignty. The *Providências* asserted the "undeniable sovereign right of the Crown of Portugal over the dominion". Later, the liberal constitution of 1822 reinforced Macau's constitutional status, considering it as the Asian part of the united territory of Portugal. In 1887, the "perpetual occupation and government over Macau and its dependencies by Portugal, as any other Portuguese possession" was confirmed by China, subject to an undertaking from Portugal never to abandon Macau and its dependencies without agreement by China, under the terms of Article 2 and 3 of the Protocol of Lisbon signed on 26 March 1887 and of the Treaty of Beijing of 1 December 1887.
7. In 1972, the Committee of twenty-four recommended that Hong Kong and Macau and their dependencies (including Kowloon) should be excluded from the list. Jerome Alan Cohen and Hundgah Chiu in *People's China and International Law* (New York: Princeton University Press), pp. 382–84, refers to a letter from Chinese Ambassador Huang Hua to the chairman of the Special Committee for Colonial Affairs, of the United Nations General Assembly, presenting Chinese opposition to the inclusion of Hong Kong and Macau in the list and requesting the exclusion of any reference to them in all U.N. documents. That request received U.N. approval in Resolution No. 2908 of the General Assembly, of 2 November 1972. In the same way, see Nihal Jayawickrama in *The Right of Self-determination in Hong Kong Basic Law: Problems and Prospects* (Faculty of Law, University of Hong Kong), pp. 91–93.
8. The Joint Declaration of Hong Kong, Sections 1 and 3, paragraph 1. The Joint Declaration of Macau, Section 1, paragraph 1. The PRC Constitution, Article 31, states: The state may establish special administrative regions when necessary. The systems

to be instituted in special administrative regions shall be prescribed by law enacted by the National People's Congress in the light of specific conditions.

9. There is no clear reason why the two territories should have been classified as Special Administrative Regions and not, for example, autonomous regions. A historical ancestor of the SARs on Chinese territory can be found in the foreign concessions. This may have been inspired by the fact that in the intervening period between recuperation of the concessions and their effective return to Chinese sovereignty, the former German, Russian and British concessions were described as Special Administrative Districts (SADs). Cf. Jean Escarra in *Le régime des concessions étrangères en Chine* (Paris, 1928). See also Hong Kong Joint Declaration, Section 3, paragraph 2; Macau Joint Declaration, Section 2, paragraph 2; and HKSAR Basic Law and MSAR Basic Law, Article 2.
10. The attempts to revoke the "Unfair Treaties" date from this period. These were imposed by Western powers and involved, for instance, ceding power over ports on the Chinese coast, such as the Belgian, German, French, Russian and British concessions in the city of Tientsin, the German concession of Kiao-Chou Bay in Shandong Province, the Russian concessions of Port Arthur and Ta-Lien-Wan, the French concession of Kwang-chou-wan in Guandong Province, the British concession of Wei-Hai-Wei Bay and the lease of Kowloon. At the Washington Conference in December 1921, the Great Sea Powers agreed to return the relevant territories to China. Japan's appropriation of the former German concessions following its victory over China sowed the seeds of a great anti-Western nationalist movement and the collapse of the imperial house. See J.H.W. Verzijl in *International Law in Historical Perspective*, Part III "State Territory" (Utrech: A.W. Sitjthoff-Leyden, 1970), pp. 398–404.
11. For further examination of these conditions, see "Les implications juridico-constitutionelles du transfert de la souveraineté de Macao a la République Populaire de Chine", in Arnaldo Gonçalves, *Revue Internationale de Droit Comparée*, no. 4 (1993), pp. 823 *et seq.*
12. The Constitution of the People's Republic of China, adopted at the Fifth Session of the Fifth National People's Congress and promulgated for implementation by the National People's Congress on 4 December 1982. Amended by the Seventh National People's Congress in its First Session on 12 April 1988, edited by Foreign Languages Press, Beijing (2nd edition, 1990).
13. It would be difficult to categorize Hong Kong, Macau or Taiwan's populations as nationalities or national minorities of the People's Republic of China. What differences are there between the inhabitants of these territories and the majority of China's population? Where are the differences in race, religion, language, ethnic or cultural practices which traditionally form the basis of calls for self-determination and the protection of ethnic minorities' rights?
14. Autonomy is generally accepted in the West as meaning the freedom to live under a separate law. The concept is sometimes likened to that of self-determination, in which the definition of policies is not subject to intervention by others. As Victor C. Falkenheim points out in "Autonomy and Control: Chinese Organizational Dilemmas of Rural Administrative Reform", in *Organizational Behaviour in Chinese Society*, edited by S.L. Greenblatt (New York: Praeger, 1981), p. 191, the Chinese use the term "autonomy" (*zihi*) in a more restricted sense, employing it to indicate the range of authority given to a unit or locality by the central government.
15. Edward J. Epstein in "China and Hong Kong: Law, ideology — and the future interaction of the legal systems", in *The Future of Law in Hong Kong*, edited by Raymond

Wacks (Hong Kong: Oxford University Press, 1989), mentions on p. 56 that "just as the system is not federal, so it is wrong to view it in the same way as the division of power between national and local legislative and executive organs in China ...". The ideological basis for the division of power between national and local government in China is "democratic centralism", which is a fundamental principle of political organization first conceived by Lenin for the synthesis of party policy and later applied, both in the Soviet Union and China, to state organs ... The Constitution embraces "democratic centralism", and its provisions for local law-making and executive power are realized through the Organic Law and the Local People's Congresses and local People's Governments ... Devolution of lawmaking powers may appear to enhance "democracy" but "centralism" requires that local law must not be in conflict with the Constitution, national laws and administrative legislation. In the case of conflict, the NPC Standing Committee and the State Council can rescind the inconsistent local law. Dr Roda Mushkat states in "Hong Kong as an international legal person" (ibid., p. 127), that "autonomy has not been authoritatively defined in international law. In fact, the wide and varied range of recognized 'autonomous' entities and the considerable disparity among arrangements of autonomy have rendered a firm definition that is appropriate in all cases ... impossible".

16. "Socialism versus capitalism: Towards a Hong Kong strategy for absorption without integration", in *Hong Kong and 1997: Strategies for the Future*, edited by Y.C. Yao et al. (Centre of Asian Studies, University of Hong Kong, 1985), p. 102.
17. "A high degree of autonomy under the Basic Law: An analysis", in *The Challenge of Transition* (Centre of Asian Studies, University of Hong Kong, 1994).
18. Regional autonomy was introduced immediately after the Revolution as a means of attaining national unity for all nationalities and of reducing differences in the development between these regions and those under Han domination. At present, there are five autonomous regions, thirty-one autonomous prefectures, and eighty-three autonomous counties. The regions are governed by the Regional Autonomy Law of 4 June 1984 which, despite the powers this endows them with in terms of local government, are dependent on the Central Government for subsidies and assistance in staff and other resources.
19. In spite of examples of regional autonomy and administrative decentralization in China, Special Economic Regions have been set up since 1979 in pursuit of a policy of openness to the outside decided by the State Council. They are part of a strategy to attract foreign capital to pockets of development which can act as catalysts for the economic transformation of the provinces next to Hong Kong, Macau and Taiwan. See Jin-dong Yuan, "Mainland China's Economic Zones: Performance, problems and perspectives", *Issues and Studies* (March 1993), pp. 80–105.
20. Article 85 et seq. of the Chinese Constitution state that the State Council, in other words, the Central People's Government, is the executive branch of the highest State body and the highest branch of the Public Administration.
21. Included in the broad powers over external affairs is the maintenance of the Regions as free ports and separate customs territories enjoying financial independence, the opportunity for representatives of the SAR governments to participate as members of PRC government delegations in international organizations and conferences in the relevant fields and to participate in international organizations and conferences which are not limited to States. Similarly, international agreements to which the PRC is not a party but which are applied in Hong Kong or Macau shall remain in effect. The application of agreements to which the PRC is a party shall depend on a decision by the Central People's Government "after seeking the views of the

Government of the Region". Similarly, the Central People's Government shall take the necessary steps so that the HKSAR or MSAR can maintain its appropriate status in international organizations of which the PRC is a member and in which Hong Kong (or Macau) participates in one way or another.

22. The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China was adopted on 4 April 1990 by the Seventh National People's Congress in its Third Session and promulgated by a decree of the President of the PRC on the same date. The Basic Law of the Macau Special Administrative Region of the People's Republic of China was adopted on 31 March 1993 by the Eighth National People's Congress in its First Session and promulgated by decree of the President of the PRC on the same date.
23. Preamble to the Constitution of the People's Republic of China. Deng Xiao-ping, in his famous statement on the process of Taiwan's reunification with the Chinese mainland, published as "An idea for the peaceful reunification of the Chinese mainland and Taiwan", in *Fundamental Issues in Present-day China* (Beijing: Foreign Languages Press, 1987), p. 19, highlights the points: "We do not approve of 'complete autonomy' for Taiwan. There must be limits to autonomy, and where there are limits, nothing can be 'complete'. 'Complete autonomy' means 'two Chinas', not one. Different systems may be practised, but it must be the People's Republic of China alone that represents China internationally. We recognize that the local government of Taiwan has its own separate set of policies for domestic affairs. And although as a special administrative region Taiwan has a local government, it differs from local governments of other provinces, municipalities and autonomous regions. It enjoys certain powers of its own which other provinces, municipalities and autonomous regions do not possess, provided the national interests are not impaired ... Peaceful reunification does not mean that the mainland will swallow up Taiwan. Needless to say, it doesn't mean that Taiwan will swallow up the mainland either".
24. This raises the issue of the durability of the SAR — as I have already discussed in "Les implications juridico-constitutionelles du transfert de la souveraineté de Macao a la République Populaire de Chine" — as a stable form of constitutional autonomous organization within China, particularly in the event of a constitutional review which suppresses Article 31, or a political decision transforming the SARs into autonomous municipalities or even integrating them, with some degree of autonomy, into the neighbouring provinces. Marxism-Leninism rejects the supremacy of constitutionalism. The constitution is traditionally regarded as a part of a superstructure which can be changed at will in the light of necessity or changing conditions.
25. Michael C. Davies states in *Constitutional Confrontations in Hong Kong* (Hong Kong: MacMillan, 1986), p. 130, "That autonomy was thought necessary in the light of special circumstances and the overriding objective of maintaining a capitalist SAR in a Marxist-Leninist country. To understand the nature and the implications of this emerging type of territorial entity, it is important to avoid being completely confined by traditional labels .... If traditional terms are employed, this formula appears to be intermediate between the status as an associated state and various models of internal autonomy .... Creative autonomy models are increasingly put forth as ways to solve unsolvable territorial and other community-based claims".

   Roda Mushkat provides evidence in *The Transition from British to Chinese Rule in Hong Kong*, indicating that analogies can be drawn here with other configurations recognized in international law, such as federal states (for example, the Basque Country, Caledonia, Eritrea, Greenland, the United Arab Emirates), internationalized territories and territories of particular international concern (for example, the

Free City of Danzig, the Free Territory of Trieste, the international Settlement of Shanghai, the Memel Territory), associated states (for example, Cook Islands, Niu, Puerto Rico, Toklau) and "unincorporated territories" (for example, Guam, the Dutch Antilles, the U.S. Virgin Islands).

Another author, Albert H.Y. Chen in "Some Reflections on Hong Kong's Autonomy", *Hong Kong Law Journal* 24, part 2 (1994): 174, juxtaposes the antinomic terms "legalistic autonomy" and "informal autonomy" as a criterion for evaluating the extension of Hong Kong's autonomy, concluding that "The position of the HKSAR under the Basic Law will still be largely informal (that is, based on conventions, practices, common interests, mutual respect, understanding, discussions, and compromises) although there is a relative increase in the degree of expressed legal regulation, such as legalistic autonomy — an autonomy fully guaranteed by law and safeguarded by independent judicial institutions.

26. Albert P. Blanstein states in "Drafting a New Constitution for the Hong Kong SAR", in *Hong Kong and 1997: Strategies for the Future*, edited by Y.C. Yao et al. (Centre of Asian Studies, University of Hong Kong, 1985), "we are met here on a great battlefield in the struggle for constitutionalism ... The 1980s and 1990s will go down in history as the new age of constitutionalism, development rivalling the eighties and nineties of two centuries ago. In this new ferment there are essentially two kinds of constitution demanding inquiry into issues of autonomy. There are, first, the constitutions which are designed to unify existing states and territorial entities, while still retaining autonomy rights for their 'parts' ... There is the constitutional effort away from centralization, supporting greater local autonomy. This is manifested by America's New Federalism, Britain's devolution, France's decentralization and regionalization, implementation of the Autonomous Regions in articles in Portugal's 1976 Constitution, implementation of the Autonomous Communities in articles in Spain's 1978 Constitution, autonomy for the Indian Nations of Canada, etc".
27. A basic feature of Confucian paternalism is servile obedience. Filial piety is recognized as an essential virtue which is rendered to the state as well as to the family. It promotes obedience from subjects towards the governing body and obliges the governing body to treat its subjects like children. So long as the emperor was the guardian of general well-being, there were no legal limits on the exercise of power or a set of individual rights which was imposed on the same exercise of power. The Chinese communist government bolstered up the profound virtues of official piety by using allegories of peasant and revolutionary fervour towards the Communist Party. The Party thus plays a paternalistic role promising that it will tend to the needs of the people. See Albert Chen, "Civil Liberties in China, Some Preliminary Observations", in *The Future of Law in Hong Kong*.
28. "The transfer of sovereignty and democratization in Hong Kong and Macao" (Paper presented to the seminar on "The Basic Laws: Problems and Perspectives", held in Macau, November 1994).
29. Deng Xiao-ping, op. cit.
30. In this respect, James Crawford (op. cit.) points out that Taiwan is a subject of international law, is party to several conventions which apply to its territory and has a *de facto* government which holds the uncontested reigns of power on the island.
31. Deng Xiao-ping, "The Concept of 'one country, two systems' is based on China's realities", in *Fundamental Issues in Present-day China*.
32. This is not always the case. In 1944, the Soviet Union's Constitution was amended to allow the Ukraine and Byelorussia to have a seat in the United Nations.
33. The case of the United States is rather different as the federal constitution does not

allow an international personality for its member states. The opposite was true of the German empire from 1871 to 1918 in which member states were entitled to maintain some of their international powers, namely, the right to sign treaties.

34. Nathaniel Berman in "Sovereign in Abeyance: Self-determination and International Law", *Wisconsin International Law Journal* 7, no. 1 (1989): 59 *et seq.*, "Many of the key conflicts in the world continue to be framed in terms of claims of self-determination. From the Middle East to New Caledonia such claims, and the passions they evoke, are the center of the urgent concerns of more than one great power (...) The stubborn persistence of certain struggles for self-determination and the recurrent cropping-up of new claims and new struggles testify to the seeming inevitability of confronting the conceptual and practical riddles posed by the idea. The story of self-determination appears destined to be played out anew in everchanging contexts (...) The conceptual challenge posed by self-determination then transcends any particular political or historical context".
35. For more on this, see Roda Mushkat, op. cit.

ARNALDO GONÇALVES is Vice-Chairman of the Macau Institute of International and Comparative Law and is a Senior Adviser of the Macau Government.

Contemporary Southeast Asia, Volume 18, Number 1, June 1996

ASEAN Dispute Management: Implications for Vietnam and an Expanded ASEAN

HOANG ANH TUAN

Although there are various unresolved disputes among the member-states of ASEAN, the organization has succeeded in establishing codes of conduct to manage these disputes so as to promote regional co-operation. These codes of conduct include both written guidelines and unwritten norms. As a new member of ASEAN, Vietnam should learn the rules observed by other ASEAN members in order to manage existing and potential disputes through an "ASEAN way" and thus become fully integrated with the Association. Based on ASEAN's practice of dispute management in recent years, this article seeks to draw some lessons useful to Vietnam. It concludes with a discussion of some challenges both Vietnam and its other ASEAN partners might face in an expanded grouping.

Background

Just months before Vietnam's entry into the Association of Southeast Asian Nations (ASEAN) in July 1995, a diplomatic row occurred between Singapore and the Philippines over the hanging of a Filipino maid, Flor Contemplacion, who had been charged with murder by the Singaporean authorities. The incident did not have much impact on the long-term relations between these two countries, nor was it truly representative of existing bilateral relations among the ASEAN countries. Yet, the fact that the incident occurred unexpectedly, resulting in the resignation of Philippine Foreign Minister Robert Romulo, had left some questions unanswered in Hanoi because Vietnam has little knowledge of ASEAN in general and its inter-state relations in particular.

Firstly, Hanoi understands that the issue was, on the one hand, linked to the much broader and sensitive issue of Filipino migrant workers all over the world, and, on the other, was exploited and fanned by Filipino opposition groups during the congressional election campaign. But the Vietnamese found it hard to understand how such a "minor" bilateral issue, even between "club members", could be blown out of proportion. Secondly, how could Vietnam manage its relations with other future "club members" with whom Vietnam faced far more serious issues and whose relations with Vietnam could not be compared with those existing among the original members of ASEAN?

A cursory review of the history of inter-ASEAN relations will reveal the successful management of disputes, against which the Flor Contemplacion case pales by comparison. Since the inception of ASEAN in 1967, the Association has coped with a number of issues concerning territorial disputes, ethnic conflicts and animosities, religious prejudices, mutual distrust, suspicion, and so forth. But these have been either contained or managed so as not to disrupt inter-state relations, though few of the disputes have so far been settled. This is because the founders of ASEAN have long been aware that disputes among them would be counter-productive to national and regional stability and thus adversely affect the national interests of individual member-states. Therefore, they have striven to defuse these sources of tension and to manage bilateral disputes by generating and developing an "ASEAN way". An indication of the success of their unique approach is the fact that the "ASEAN way" has become deeply embedded in the minds of regional policymakers. Although ASEAN has not yet been able to settle all bilateral disputes among its members, it has had a relatively high degree of success in managing and containing them as no war or armed conflict has broken out since ASEAN's formation.

The term "ASEAN way", although initiated by the formation of ASEAN itself, is indicative of a long and gradual process associated with the up-and-down development of the organization. Generally, the term "ASEAN way" refers to codes of conduct of inter-state relations among the constituent members. But concerning dispute management, it refers to a series of established guidelines and unwritten norms which are binding on, and observed by, member-states. It should be noted that outsiders (or even a new member like Vietnam) have been confused about the meaning of the term "ASEAN way", which lacks a clear definition. Vietnam has at times been expected by fellow members to know the "ASEAN way", but, in fact, it has not always fully understood the actual meaning of the term as well as how and when it has been practised by others. It is, therefore, important to define and analyse the major techniques of ASEAN dispute management applicable to Vietnam and other future members such as Cambodia, Laos and Myanmar for the sake of regional peace, stability and co-operation.

Dispute Management among the ASEAN Countries

There have been many kinds of disputes among the ASEAN countries, but for the purpose of this article, they are divided into three main categories: territorial, diplomatic and trade disputes. Unlike other regional organizations which seek to settle disputes first so as to create a firm ground for co-operation, the ASEAN countries have, in contrast, found common areas of co-operation in the first place while shelving disputes for settlement at a later date. This "way" has so far proven rather successful as "the ASEAN countries [have] succeeded in avoiding open conflicts and re-militarisation, in normalizing strained bilateral relations and in safeguarding ASEAN unity",[1] although its members have not been able to settle all bilateral disputes among themselves.

The success of ASEAN's dispute management can be attributed mainly to five techniques adopted by its members: (a) adherence to the ground rules enshrined in ASEAN's diverse declarations and communiqués, (b) stressing the virtue of self-restraint, (c) adoption of the practices of *musyawarah* and *muafakat* (consultation and consensus), (d) using third-party mediation to settle disputes, and (e) agreeing to disagree or to shelve disagreement for later settlement.

Adherence to the Ground Rules

The key factor that has led to ASEAN's successful dispute management has been the members' adherence to the organization's ground rules. It is a fact that dispute management in ASEAN has been primarily focused on avoiding conflict and preventing it from disrupting relations between members. This is reflected in the creation of the rules of the game (or superordinate goals and objectives) through ASEAN's diverse declarations and communiqués.

ASEAN was established on a weak foundation. When the Association was established in 1967, the injurious inter-state relations among four out of five members, though temporarily healed, were still haunted by prior hostilities.[2] The signing of the Bangkok Declaration was, therefore, an indication of the countries' political commitment to live in harmony and co-operate with one another so as to solve some of the disputes among themselves and to guard against growing communist influence.

The 1967–76 period was the most critical for the survival of ASEAN as two major disputes — one between Indonesia and Singapore over the hanging of two Indonesian marines, and the other between Malaysia and the Philippines over Sabah — erupted to jeopardize the Association's future. The fact that ASEAN survived these severe crises in its first ten years of existence was an indication that community consciousness among its members was strong enough to bind them to live and work together, and that "from the moment it was established ASEAN already acted as a brake which persuaded the members to restrain themselves in their dealings with each other".[3]

By 1976, the ASEAN states were so fearful of the external communist threat after the fall of Saigon that for the first time since ASEAN's establishment the various heads of government gathered for a summit meeting in Bali where they signed two important documents which have provided a system of conflict management and which has since become the major framework for ASEAN co-operation. These documents are the Declaration of ASEAN Concord and the Treaty of Amity and Co-operation in Southeast Asia (or the Bali Treaty). It is important to note that because ASEAN, in the first ten years, had tried to avoid discussing highly sensitive political and security issues, the signing of the Concord was seen as a momentous development for the organization since for the first time ASEAN formally adopted political co-operation as part of the regular ASEAN agenda and agreed to co-operate in the area of security on a non-ASEAN basis in accordance with mutual needs and interests.

The Treaty of Amity and Co-operation became the principal document of ASEAN as it set the fundamental principles (similar to those enshrined in U.N. documents) for managing relations among the ASEAN states. These principles emphasize respect for political independence and territorial integrity; non-interference in each other's domestic affairs; settlement of disputes by peaceful means; renunciation of the threat or use of force in international relations; and freedom from external interference, subversion or coercion. The Bali Treaty also states that signatory-states should settle any disputes through friendly negotiations. If they fail to do so, then a High Council made up of ministers from the Treaty's "High Contracting Parties" would recommend ways of settling disputes, such as through mediation or conciliation. While the Treaty binds signatories to this code of conduct, it stipulates no political, economic or military sanctions to enforce such conduct. Although the Treaty was concluded in 1976, the High Council has never been set up. Indonesia has long demanded that a High Council be established to settle the dispute with Malaysia over Ligitan and Sipadan Islands, but

Malaysia has preferred to refer the dispute to the International Court of Justice rather than through ASEAN diplomatic channels.

The Treaty of Amity and Co-operation, therefore, represented a major advance from the Bangkok Declaration. While the latter was only a loose commitment of ASEAN member-states to regional co-operation, the former not only outlined a number of principles to prevent disputes, but also established a mechanism to settle them even if no attempt has so far been made to invoke the dispute settlement machinery. This is perhaps an indication that ASEAN members do not as yet have full confidence in their own machinery for mediation.

Though there were at times minor violations of the Treaty's principles, generally speaking, the principles have been strictly observed by the ASEAN members as no armed conflicts or even the threat of the use of force have occurred among themselves. This helps to explain why the ASEAN states insisted on Vietnam withdrawing its troops from Cambodia as that presence, in ASEAN's view, was a serious violation of the regional order enshrined in the Treaty (although Vietnam was then not a signatory and, therefore, was not bound by the Treaty's principles), and this might set a precedent for possible actions by other members or non-members. Among the members, the Treaty's principles have also at times undergone severe tests. Examples are Indonesia's and Malaysia's strong criticism of the Singapore Government for receiving then Israeli President Chaim Herzog in 1986 and Malaysia's reaction to Brigadier-General Lee Hsien Loong's questioning of the loyalty of Malays serving in the Singapore Armed Forces. These troubled relationships were only eased when Singapore urged its neighbours to restrain themselves by invoking the principle of non-interference in Singapore's internal affairs.

Self-restraint

The self-restraint practised by ASEAN members has also helped to prevent conflict. The very formation of ASEAN was, to some extent, an indication of self-restraint by its members, particularly Indonesia — the biggest member. ASEAN's predecessors, ASA and MAPHILINDO[4] did not survive because Indonesia was either left out or had opted out. ASA was disbanded due to the exclusion of Indonesia; and MAPHILINDO was paralysed by Indonesia in the wake of Soekarno's confrontation policy towards Malaysia. It is certain that the alleged endurance of ASEAN "is due, in no small measure, to the fact that Indonesia has never posed any serious problems to other members of the grouping".[5] The members' self-restraint is of considerable importance to the grouping's viability.

This was so particularly in the early period, when some of them had treated each other as either strangers or sworn enemies.

In early 1968 the Singapore Government executed two Indonesian marines charged with subversive activities at the height of the Indonesian Confrontation. Although President Soeharto of the New Order Government of Indonesia had written a private letter to then Prime Minister Lee Kuan Yew asking for clemency for the two condemned men because they had acted under the orders of the former government, his appeal was ignored. The execution sparked off a number of violent anti-Singapore demonstrations in Jakarta with cries to "teach" Singapore a lesson. Bilateral relations only improved after Soeharto agreed to receive Lee Kuan Yew in May 1973, and the latter sprinkled flowers on the graves of the dead marines. This incident proved that, based on the principle of self-restraint, Indonesia did not want to jeopardize the very existence of ASEAN during its early years, despite its displeasure with Singapore.

With tense relations between Indonesia and Singapore having not yet subsided, the second dispute between Malaysia and the Philippines over Sabah emerged and once again haunted the very existence of ASEAN. The Sabah crisis originated from the long-standing claims over the territory by the Philippines and Malaysia. Sabah, a territory once belonging to the Sultan of Sulu, became a British colony in 1946. In the early 1960s, then Filipino President Macapagal argued that Manila was the heir of the old Sultanate of Sulu and claimed Sabah as part of Philippine territory. Subsequently, the two countries severed diplomatic relations, which were only resumed in June 1966.

The second Philippine–Malaysian dispute occurred over the so-called Corregidor Affair of March 1968 as a result of information leaked about the Corregidor military training camp which was reportedly used by the Philippine Government to train special armed units to infiltrate Sabah. Irritated by the Philippines' move, Malaysia broke off diplomatic relations at the end of 1968, and throughout the crisis the latter did not send representatives to any ASEAN meetings. The two countries finally agreed to normalize their relations in December 1969 in order to safeguard ASEAN's viability.

Musyawarah and Muafakat (Consultation and Consensus)

A unique form of ASEAN dispute management is expressed in the terms *musyawarah* and *muafakat*. The term *musyawarah* means making decisions through a process of discussion and consultation, while the term *muafakat* means consensus reached through the process of *musyawarah*. This kind of decision-making originated in the village-level political culture of Malaysia and Indonesia and has now become the practice of the ASEAN states in relations with each other.

The practice works as follows: "the perspective starts with intensive informal and discreet discussions, which in the end brings out the general consensus of the community. Later, at a more formal meeting, this general consensus becomes the starting point of discussions which usually ends in acceptance of a unanimous decision".[6] During this process, new positions, proposals or initiatives are floated for extensive consultation in informal meetings so as to make sure that consensus on major issues could be reached at later formal discussions or negotiations. This practice has proved to be of great importance for ASEAN unity as it has excluded the possibility of the majority imposing views on the minority and has served "to save face and maintain good relations between the parties",[7] particularly when members have to tackle contentious issues.

Prior to the formation of ASEAN, member-states perceived each other like strangers as there was no regional institution for discussion and consultation. Over the years, the habit of consultation among the ASEAN countries has gradually developed with an increasing number of meetings and discussions (currently up to 230 every year) among ASEAN officials at various levels and it "has become part of an institutional culture that helps avoid and control conflicts".[8] Through these talks and meetings, ASEAN members get to know one another, learn about each other's interests and sensitivities, and explore possibilities for expanded co-operation. Additionally, officials at different levels are encouraged to contact one another and establish personal relationships so that in the event of crisis they can pick up the telephone and call each other, thus increasing the possibility of containing any dispute. Carlos Romulo, former Foreign Secretary of the Philippines, once said, "I can pick up the telephone now and talk directly to Adam Malik or Rajaratnam [former Indonesian and Singapore foreign ministers respectively]. We often find that private talks over breakfast prove more important than formal meetings".[9]

In the past, growing consultation had helped the ASEAN states to arrive at consensus on a number of major issues such as the agreement on the establishment of a Zone of Peace, Freedom and Neutrality (ZOPFAN) in Southeast Asia; the withdrawal of Vietnamese forces from Cambodia; increased regional economic co-operation in the form of the ASEAN Free Trade Area (AFTA), and so forth. It must be noted that the consensus over Cambodia was achieved in spite of substantial differing strategic perceptions between Malaysia and Indonesia, on the one hand, and Thailand and Singapore, on the other, concerning China and Vietnam. While both Malaysia and Indonesia felt threatened by China, the Soviet Union and Vietnam, they perceived China as the main and long-term threat. That was so because from 1948 to the mid-1970s, Malaysia had to counter an armed insurgency waged by the Communist Party of Malaysia, which was allegedly sponsored by Beijing. Malaysia's threat perception was shared by Indonesia which linked China to the attempted coup by the Communist Party of Indonesia in 1965. Thailand, meanwhile, sought a *rapprochement* and a *de facto* security alliance with Beijing as it considered the presence of Vietnamese troops on Cambodian soil as the most immediate and dangerous threat to its national security. Singapore, a small multi-ethnic state with a Chinese majority, located between Malaysia and Indonesia, staunchly supported the Thai position as it saw the use of force to impose a new regime as both a violation of the regional status quo enshrined in the Bali Treaty and a potentially dangerous precedent for the region. Despite the difference in threat perceptions, Thailand, the then "front-line" state, was given full support from other ASEAN members for the sake of maintaining ASEAN solidarity and to pressure Vietnam to accept a negotiated settlement of the Cambodian conflict. After it had totally withdrawn its troops from Cambodia in September 1989, Vietnam ceased to be a contentiouZZZZs issue among the ASEAN states which, subsequently, strove to normalize relations with Vietnam.

Third-party Mediation

Mediation — a form of conflict management — is the most common form of third-party intervention in a conflict. Third-party mediation is broadly defined as "a process of conflict management where disputants seek the assistance of, or accept an offer of help from an individual, group, state, or organization to settle their conflict or resolve their basic differences without resorting to physical force or invoking the authority of the law".[10] According to Bercovitch, third-party mediation is particularly useful when: (a) disputes are long, drawn-out and complex; (b) the disputants' own conflict management efforts have reached an impasse; (c) neither side is prepared to countenance further costs or escalation of the dispute; and (d) when the disputants are prepared to break their stalemate by co-operating with each other and engaging in some contact and communication.[11] Successful third-party mediation requires two preconditions: a) mediation must be acceptable to the adversaries in the conflict, and b) the parties concerned must show their desire to seek resolution by co-operating diplomatically with the third party.

In the past, this form of dispute management was rarely used by the ASEAN states because of the lack of mutual trust. ASEAN's first successful exploitation of third-party mediation was recorded in the management of the dispute between Malaysia and the Philippines over Sabah in 1968. As both sides disagreed on whether or not to include the Sabah issue in the ASEAN agenda, Indonesia was called in to play the role of middle-man. The personal intervention of President Soeharto led to a private meeting between the foreign ministers of the two countries in Jakarta where they agreed to settle the dispute outside the ASEAN framework. In December 1969, the two countries agreed to normalize their relations. Although neither of them wanted to make concessions to each other, they were under pressure to co-operate and therefore had to show their desire to settle the dispute. In this case, the mediatory role of President Soeharto did indeed help to save ASEAN in its tumultuous early years.

In recent years, however, thanks to the improved understanding among the ASEAN states, this form of mediation has been used in a number of cases to settle disputes. Recently, during a visit to Malaysia by Singapore's Prime Minister in September 1994, Singapore and Malaysia agreed to refer their claims over ownership of Pulau Batu Putih (Pedra Branca) to the International Court of Justice for settlement. Malaysia stakes its claim to the island based on boundaries agreed in treaties, rights of sovereignty and various cessation treaties dating back to the colonial era. Singapore, on the other hand, relies on the fact that it has been administering the Horsburgh lighthouse (located on the island) since about 1850, and also on the concept of *terra nullis* (no man's land). The importance of the island lies in the fact that anyone who owns it can stake a 200-nautical-mile exclusive economic zone (EEZ) out into the South China Sea to protect its fishing rights and natural resources under the seabed. Both sides have already exchanged legal documents, but have not been able to settle this dispute between themselves, so they have agreed to refer the matter to the International Court of Justice and abide by the court's judgement. This avenue to settle disputes helps to ensure that it will be settled objectively while not making either side lose face. Singapore's Prime Minister made it clear, "if Malaysia proves legally, so it's hers. If Singapore has got a stronger legal case, then it is ours, that's a very civilized way of settling the dispute".[12]

In the Flor Contemplacion case, the Philippines and Singapore also referred the matter to third-party examination (made up of three U.S. forensic experts) when a joint autopsy, conducted by Singapore and

Philippine forensic experts on the murder victim Delia Maga's remains, yielded differing findings. The Singapore pathologists had maintained that Maga's death was caused by asphyxia due to strangulation, while the Philippine pathologists said she had died of severe head and chest injuries which could not have been inflicted by Flor Contemplacion, suggesting that the killer could have been a man or a strong woman. Relations between the two countries were only recently put back on track after American forensic experts came to the same conclusion as Singapore's coroners, and the Philippines abided by the findings.

With the level of understanding among the ASEAN countries, it is expected that from now on third-party mediation will be frequently used for the settlement of disputes.

Agreeing To Disagree

As mentioned earlier, prior to the formation of ASEAN there was a high degree of mutual suspicion and animosity among the five Southeast Asian states. Aware of the organization's weak early foundation, the ASEAN states have, since the early days, been careful to avoid internal disagreements. Common wisdom has cautioned that disagreements would not be settled without growing trust and mutual understanding and that interests would be best served if they first learnt to co-operate with one another over non-controversial issues and develop a habit of frequent consultation.

Therefore, efforts to improve relations were focused on issues of common interest, while sensitive and controversial issues were put aside to a later date. Although ASEAN observers have often criticized the slowness of this process in dealing with problems, they have finally acknowledged the effectiveness of this "slow but sure" approach because it has helped ASEAN to buy time and avoid being bogged down in unfruitful quarrels.

Examples are available to clarify this strategy of dispute management by ASEAN. In the Bangkok Declaration, the ASEAN founding fathers declared that one of the organization's objectives was to accelerate "economic growth, social progress and cultural development",[13] but political and security concerns were obviously very much in their minds. These concerns were not mentioned in the Declaration because at that time the member-states believed that these would lead to more discord than agreement. A decade later, when mutual distrust had been much reduced, the ASEAN leaders met in Bali in 1976 to discuss for the first time political co-operation — a topic which had previously remained taboo due to sensitivities.

On economic co-operation, ASEAN had for a long time avoided talking about the possibility of a regional free trade area because of differing approaches between Singapore and Indonesia. Singapore, the most economically developed member whose economy is dependent upon its trade, supported this idea as it would help Singapore manufacturers to further penetrate regional markets. However, Indonesia — the biggest, and least developed and competitive ASEAN member — feared that market sharing in the name of regional co-operation amounted to the opening up of the Indonesian market to other ASEAN countries, with no benefit for Indonesia. It was not until the fourth ASEAN Summit in Singapore that the member-states agreed to establish the ASEAN Free Trade Area (AFTA) in order to cope with the prevailing economic issues in the post-Cold War period.

In sum, the successful implementation of the above-mentioned strategies has made a great contribution to the success of ASEAN's dispute management. This, in turn, has created a firm basis for the ASEAN states to focus on political and economic co-operation and promote ASEAN solidarity. The organization has, in fact, developed itself into a kind of security community with no ASEAN member going to war against another member since ASEAN was established. Economically, ASEAN is now one of the fastest growing groupings in the world and has been so for the last two decades. Its gross domestic product (GDP) per capita has increased steadily. When ASEAN was formed, the annual GDP per capita ranged from US$51.20 for Indonesia, US$157 for Thailand, US$220.60 for the Philippines, US$328.80 for Malaysia, and US$618 for Singapore. In 1994, per capita GDP was US$680 for Indonesia, US$715 for the Philippines, US$1,850 for Thailand, US$3,406 for Malaysia and US$13,950 for Singapore.[14]

ASEAN has clearly established itself as one of the most successful regional organizations in the world and has played an important role in the emergence of various regional and international economic, political and security structures, such as the Post-Ministerial Conference (PMC), the newly-established ASEAN Regional Forum (ARF), and the Asia-Pacific Economic Co-operation (APEC) forum. Furthermore, great powers such as the United States, Russia, China and Japan have to reckon with ASEAN as a major entity in the regional power equation.

Implications for Vietnam and an Expanded ASEAN

The end of the Cold War has facilitated an even greater role for ASEAN in regional and international affairs. Ideology, once a major obstacle in

Southeast Asia, is no longer a priority in the formulation of national policy. Thus, Southeast Asia has witnessed an unprecedented *rapprochement* between ASEAN, on the one hand, and Vietnam, Cambodia, Laos and Myanmar, on the other.

ASEAN, however, regards the issue of expanded membership with mixed feelings. On the one hand, it is in the interest of ASEAN to expand its political and economic ground to encompass the whole of Southeast Asia so that the organization would be able to deal with the emerging challenges brought about by the end of the Cold War. The expansion is also seen as a major leap towards the realization of its founding fathers' dream, that is, to turn ASEAN from a sub-regional into a region-wide organization of all Southeast Asian countries. On the other, ASEAN is concerned that the expansion might "dilute" the Association's cohesion as "a bigger ASEAN will mean new challenges, bigger responsibilities and potentially, more internal squabbles".[15] Therefore, although ASEAN has reached consensus on expansion, the question being asked is whether and how the factors that led to the organization's successful dispute management would be observed by new and potential members. Or, put in another way, does an expanded organization mean a stronger or weaker ASEAN?

ASEAN's concerns are rooted in the fact that currently there are a number of disputes, mainly territorial, among some of the current ASEAN-Six and between them and the would-be members. These are disputes over the Spratly Islands, involving Vietnam, the Philippines, Brunei and Malaysia (also including China and Taiwan); overlapping claims between Vietnam and Indonesia, Malaysia and Thailand; land disputes in the border area between Laos' Xaignabouri province and Thailand's Phisanulok province; overlapping claims between Cambodia and Thailand in the Gulf of Thailand, and so forth. This is not to mention other kinds of disputes which, if not handled properly, risk escalating rapidly into bilateral conflicts as a result of a long history of mutual mistrust and suspicion.

However, given ASEAN's proven record of unity, there is every reason that it would place regional solidarity and stability as a top priority, rather than that of the expansion issue. Membership is taken into serious consideration only if ASEAN is assured that the process of expansion does not lead to weakness and instability for the organization. At present, there is no clear evidence to indicate that new members would bring trouble. In this connexion, ASEAN should continue to focus on the consolidation of the ground rules and other techniques of dispute management and require new and would-be members to apply these in their dealing with others. As ASEAN is an established grouping, it seems to be acceptable to all that the entry of other countries means that the latter would have to accept all the norms and rules set by the Association.

Therefore, the foremost criterion for the admission of new members is their adherence to the ground rules of the Bali Treaty — the first and only ASEAN declaration recognized by the United Nations as a legal document. Being signatories of the Treaty is a precondition for membership, and with Myanmar becoming the latest signatory, in July 1995, all the remaining Southeast Asian countries have now met the requirements for membership and, consequently, might be accepted as ASEAN members at an appropriate time in the future. For new and would-be ASEAN members, observing the norms and rules enshrined in the Bali Treaty should not be problematic as these are clearly defined in the Treaty's articles. But the problem is how to learn the techniques of dispute management in the "ASEAN way". This is more difficult as the observers are not well-informed as to which techniques are used and in which cases they are applied, as the techniques are unwritten and not very transparent. The question is perhaps: "Will the 'ASEAN way' still be efficient with expanded membership of the organization?"

It should be noted that it took ASEAN members nearly thirty years to develop the techniques of dispute settlement and to reach the current comfort level. Therefore, it is absurd to demand or expect new members to learn to apply these overnight. What is important is the desire and willingness of new members to learn to behave as the founding ones. New members should be aware that gaining membership is only a stepping stone towards a learning process in which the "ASEAN way" must be inculcated in their national psyche. Hopefully, with time and with increasing integration in ASEAN's multilateral and multi-dimensional activities, they will behave in the accepted way.

As for Vietnam, since the mid-1980s its attitude towards, and relations with, ASEAN and its members have undergone a dramatic change following Vietnam's official endorsement of its renovation policy, or *doi moi*. This new attitude reflects a tremendous change in the formulation of Vietnam's foreign policy as relationships between Vietnam and ASEAN in the previous decades were marked by mutual mistrust and hostilities over some ASEAN members' involvement in the Vietnam War and Vietnam's military presence in Cambodia. Now a basis for common approaches and interests between Vietnam and ASEAN has been created as "the process of deregulation and market orientation [has] made the ASEAN states much more relevant to Vietnam economically, and Vietnam's leaders [have] now come to see the ASEAN members as potentially valuable models for Vietnam in economic development".[16] Moreover, improved relations with ASEAN partners is also seen as a valuable "bridge" to huge export markets and sources of investment and advanced technology from the West.

The change has been clearly expressed in Vietnam's "new outlook" in foreign policy, according to which "priority has been given to relationships with neighbouring countries, and one of the main approaches in Vietnam's regional policy has been to improve relations with, and then to become a member of, ASEAN".[17] This is not mere rhetoric, as Vietnam has taken firm steps to integrate itself into ASEAN-led regional co-operation.

The withdrawal of Vietnamese forces from Cambodia in 1989, and particularly the signing of the Paris Agreement on Cambodia in 1991, served as a catalyst for the further improvement of relations between Vietnam and ASEAN. In 1991, the Vietnamese Prime Minister, for the first time, officially expressed Vietnam's desire to be a member of ASEAN. One year later, at the ASEAN Ministerial Meeting in Manila (in 1992), Vietnam signed the Bali Treaty and gained ASEAN observer status. This move was seen by ASEAN as an indication that from now on Vietnam would settle disputes by peaceful means and adhere to the regional status quo. Of the non-ASEAN members, Vietnam, in the ASEAN perspective, was the most important partner in several respects: a large population; a huge and experienced army; strategic location; economic potential, etc. But more importantly, ASEAN had decided to associate itself with a country which, for decades, had competed with it in establishing a regional order. This also indicated Vietnam's formal acceptance of the ground rules for regional order established by the ASEAN states.

The actual benefits of improved Vietnam–ASEAN relations for Hanoi have also been obvious, with an ever increasing number of exchange visits by Vietnamese and foreign leaders in recent years. In the same month that Vietnam joined ASEAN, the country signed the Co-operation Agreement with the European Union and established full diplomatic relations with the United States. Relations with China are on the same level, confirmed by the Party General Secretary's recent visit to Beijing where the two sides agreed to settle their common land border dispute and to reopen the rail link between the two countries. All these have helped to consolidate Vietnam's political status in the international arena.

Encouraged by the overall positive achievements of increased relations with ASEAN, Hanoi has shown its determination to rapidly immerse itself in ASEAN's co-operation network. Since joining ASEAN in 1995, Vietnam has, in the words of Vietnamese Foreign Minister Nguyen Manh Cam, undertaken "to fulfil all obligations and responsibilities of a member country according to the targets, objectives, principles and documents and regulations that have been clearly specified in the ASEAN basic documents, including its joining in AFTA".[18] In an interview given to *The Nation* (a Bangkok-based newspaper) prior to the fifth ASEAN Summit held in Bangkok, Prime Minister Vo Van Kiet stated that, "under specific conditions, we will do all that is necessary to fully participate in the work of ASEAN, contributing actively to peace, stability and co-operation in the region".[19] To this end, in October 1995, the government set up the National ASEAN Committee headed by a Deputy Prime Minister. Almost simultaneously, a directive was issued demanding that all ministries or ministerial-level institutions set up sub-committees to conduct research aimed at promoting relations with ASEAN. In October 1995, the National Assembly of Vietnam adopted the first adjustment on taxation in preparation for joining the ASEAN Free Trade Area (AFTA) beginning from 1 January 1996. In December 1995, Vietnam sent a 180-member sports team — the biggest ever — to attend the Southeast Asian Games in Chiangmai as a gesture showing Vietnam's firm determination to integrate into the ASEAN family. Vietnam's determination has been highly appreciated by other members and recently at the fifth ASEAN Summit, held in Bangkok, the ASEAN heads of government decided that the next Summit would be held in Vietnam.

Hanoi has also been well aware that so long as it has not been able to settle its bilateral disputes with other members through the "ASEAN way", it cannot be fully integrated in the Association, although it still holds the "membership card". Therefore, as part of ASEAN, Vietnam — apart from observing and undertaking the responsibilities required of a member — has had "to create the habit of referring each of its decisions to the practice of the ASEAN countries" and to learn more about "ASEAN togetherness"; the ASEAN spirit of settling disputes; the tradition of give-and-take; and *musyawarah* and *muafakat*. It is apparent that Hanoi is now willing to do this. But this is no easy task if one takes a close look at Vietnam's history. For some 2,000 years, Vietnam was given little chance for talks and negotiations. Since 1945, Vietnam has undergone four successive and devastating wars. Therefore, the tendency to settle disputes and conflicts by military means is understandably rooted in the thinking of Vietnamese leaders. Indeed, the peaceful settlement of the Cambodian conflict marked a new turn in Vietnam's recent history and it is hoped that renovation, ASEAN membership, and diversified foreign relations would, in due course, further consolidate this new and healthy trend. The observance of ASEAN techniques of dispute management will, of course, affect not only perceptions of the Vietnamese towards the settlement of disputes but also the process of policy-making. For example, dispute settlement through talks and negotiations among contending parties requires them to reach a compromise — a common terminology and practice in ASEAN that refers to mutual concessions. But in the Vietnamese language, the term "compromise" does not always have such meaning. Although compromise is a result of a positive-sum game, to the Vietnamese it refers to a zero-sum game. Therefore, the Vietnamese should first understand the word in its ASEAN context and get used to it. This will help them change their perceptions towards dispute management. *Musyawarah* and *muafakat* will have implications on both Vietnam's participation in the ASEAN policy-making process and its domestic politics. Vietnam will be required to learn and observe this policy-making process like other ASEAN members, but in so doing, it will affect the very foundation of Vietnam's policy-making process. This means that *musyawarah* and *muafakat* will play an important part in the process of policy-making at the national level in Vietnam as well.

Vietnam's membership of ASEAN should, however, be seen as a two-way interaction. Vietnam must accept ASEAN's rules of the game, while ASEAN must also accommodate its new members. As ASEAN intends to expand the organization to incorporate all countries of Southeast Asia in order to cope with the changing regional and international scenes in the post-Cold War era, it should also consider the changes that should be made regarding its functions and workings, and their extent thereof. Understandably, very few changes were made in this regard from 1967 to the end of the 1980s because ASEAN had only six members — including Brunei which joined in 1984 — and the world and regional situation had not undergone any radical change.

Indeed, the new world and regional situations and expanded membership involve new challenges for ASEAN. This does not mean that the organization's *modus operandi* which had helped to cohere the ASEAN members in the past is likely to be replaced soon. Neither should it necessarily be linked to Vietnam's entry into ASEAN. Such changes will certainly come along, sooner or later, and ASEAN must be flexible enough to change, adapt and consider different approaches, especially when it expands to incorporate all ten Southeast Asian countries.[20]

In the post-Cold War era, ASEAN has to deal with a multilateral regional dispute in the Spratly Islands, which involves not only some of its members but also China, ASEAN's geographically and demographically imposing neighbour, which, from the prevailing ASEAN viewpoint, can pose a direct threat to regional security. This is further compounded by China's steady rise in economic and military strength and its non-adherence to the Bali Treaty. In the past few years, China has continuously increased its military budget: the officially announced figure for 1989 was only 25.1 billion yuan, but in 1992 and 1994 it was 37 billion yuan and 52 billion yuan respectively.[21] China has also consolidated its position in the disputed Spratly Islands, marked by a bloody clash with the Vietnamese Navy in March 1988, the approval of a Territorial Sea Law by the Chinese parliament in February 1992, and the recent dispute with the Philippines over Mischief Reef.

Some ASEAN claimants in the Spratlys dispute, such as the Philippines and Vietnam, want the Association to provide strong support to them as the dispute is directly related to their national security and, in the final analysis, to regional security. But some other ASEAN countries, which have no territorial disputes with China and which have a high economic stake in China's economic reform, could see China as a less direct threat and not attach a high priority to this issue in their foreign agenda. Unless there is a clear and immediate direct threat, which seemingly may not happen in the next ten or fifteen years, to the national security of any particular ASEAN member, it is difficult to generate strong pressures and a clear position from ASEAN on the issue.

Therefore, dealing with China in bilateral and multilateral terms will be a challenge to ASEAN solidarity in the years ahead. So far, ASEAN has succeeded in engaging China in a multilateral regional security forum — the ARF. Although the ARF has yet to discuss sensitive issues such as the Spratly dispute, China has for the first time promised to discuss the dispute at the multilateral level (with countries directly concerned), and to apply the principles of the United Nations Convention on the Law of the Sea. These steps should be seen as initial and positive results of ASEAN's policy of engagement. The question being raised is: what if China does not accept ASEAN's terms of engagement in the future?

On the matter of consensus, it would become more and more difficult for ASEAN to reach consensus on major issues. It should be noted that in the seventies and eighties the ASEAN-Five and then the ASEAN-Six had already found it difficult to reach consensus on major issues, such as on how far and how fast the Preferential Trading Arrangements should be implemented and the varying perceptions of China. The challenges to consensus are likely to continue and even increase. For example, recently, AFTA has come up against certain Indonesian reservations. The case of Vietnam also deserves a close look. Because of the gap in economic development between Vietnam and the other members, and the fact that AFTA has already been agreed upon and implemented by other members since 1 December 1993, ASEAN has unanimously agreed that Vietnam would fulfil the goals enshrined in AFTA by the year 2006, instead of 2003 as applied to other ASEAN members. Thus, by extension, the would-be less-developed members of the Association such as Cambodia, Laos and Myanmar would be allowed to fulfil the goals of AFTA at a later time, probably 2010. But are the ASEAN members willing to do so? And if so, how can all the ASEAN members achieve consensus on future economic issues, when some have maximized the goals of AFTA and want to turn to the next stage of economic co-operation, but others have not and may be not willing to do so?

In tackling this problem, perhaps the "ASEAN plus 5" formula put forward by Singapore years ago might be used as a foundation for agreement by an expanded ASEAN on major issues in the future. Singapore's position has recently been made clear by its Foreign Minister S. Jayakumar who suggested that, "consensus had never meant unanimity. When the vital interests of any one ASEAN state were not threatened by any ASEAN initiative, it allows the other members to proceed with it. ASEAN should be united on the core issues and carry on its tradition of consultation and consensus".[22]

New elements that have emerged in the post-Cold War era may also cause ASEAN to modify its "agree to disagree" strategy. Firstly, in the past, ASEAN used this strategy to buy time in order to focus on co-operation and then achieve agreement later on when parties could reach a certain level of understanding. Now that the members know each other quite well, they can talk directly to each other on rather sensitive issues without fearing that this would make others lose face or feel displeased. This strategy seems to be a necessary instrument for ASEAN in dealing with issues involving ASEAN and non-ASEAN countries, for example, in the ARF. Secondly, new challenges in the post-Cold War era also require ASEAN to quickly respond to events in order to save time rather than buy time. The ASEAN countries seem to be aware of this and during the fifth ASEAN Summit their leaders agreed to hold annual unofficial summits in-between official ones in order to tackle emerging challenges.

Conclusion

Given ASEAN's good performance in dispute management in the past, there is every reason to believe that the organization will emphasize proven techniques in order to maintain its cohesion and viability while expanding itself with the aim of meeting new challenges brought about by the end of the Cold War. The intention is shared by the existing and would-be members. However, the question now for ASEAN is how to plug new members into the Association's network with minimum negative implications.

As membership expansion involves both opportunities and challenges, it is likely that ASEAN will work out policies and measures designed to make the organization and its "rules of the game" more flexible and efficient so that an expanded ASEAN will be stronger and can successfully cope with its historical task.

NOTES

1. Dewi Fortuna Anwar, "Twenty-five Years of ASEAN Political Co-operation", in *ASEAN in a Changed Regional and International Political Economy*, edited by Hadi Soesastro (Indonesia: Center for Strategic and International Studies, 1995), pp. 108–28.
2. By the time ASEAN was established, Indonesia's three-year *konfrontasi* against Malaysia, including Singapore, had ended just months before. Malaysia and the Philippines had temporarily buried their dispute over the sovereignty of Sabah, while relations between Malaysia and Singapore were uneasy as Singapore had just separated from Malaysia two years before. Among the original five, only Thailand remained outside the conflicts between the four future ASEAN members.
3. Dewi Fortuna Anwar, "Twenty-five Years of ASEAN Political Co-operation".
4. The Association of Southeast Asia (ASA) was established in 1961. MAPHILINDO, the association including Malaysia, the Philippines and Indonesia was established in 1963.
5. Mohamed Ariff, *Star*, 25 January 1992.
6. Kamarulzaman Askandar, "ASEAN and Conflict Management: The Formative Years of 1967–1976", *Pacific Review* 6, no. 2 (1994), pp. 57–69.
7. P. Thambipillai and J. Saravanamuttu, "ASEAN Negotiations: Two Insights" (Singapore: Institute of Southeast Asian Studies, 1985).
8. Michael Leifer, "ASEAN: Now for the Next 25 Years", *International Herald Tribune*, 13 August 1992.
9. Khoo How San, "The Road to ASEAN Solidarity", *Straits Times*, 31 July 1977.
10. J.S. Dryzek and S. Hunter, "Environmental Mediation for International Problems", *International Studies Quarterly* 31 (1987): 87–102.
11. J. Bercovitch, "Social Conflicts and Third Parties: Strategies of Conflict Resolution" (Boulder, Colorado: Westview Press, 1984).
12. *Star*, "Court to Decide on Island Dispute", 8 December 1994.
13. "The ASEAN Declaration", Appendix A, in *Understanding ASEAN*, edited by Alison Broinowski (MacMillan Press Ltd, 1982).
14. Lim Hock Chye, "ASEAN Economies Scale New Heights", *Star*, 4 September 1995.
15. Bilson Kurus, "ASEAN-ising Southeast Asia", ISEAS *Trends*, Supplement in the *Business Times*, 26–27 August 1995.
16. Frank Frost, "Vietnam and ASEAN: From Enmity to Co-operation", *Straits Times*, 29 December 1995.
17. Hoang Anh Tuan, "Vietnam's Membership in ASEAN: Economic, Political and Security Implications", *Contemporary Southeast Asia* 16, no. 3 (December 1994): 259–73.
18. *Foreign Broadcast Information Service*, *FBIS-EAS*, 31 July 1995.
19. *Nation*, 11 December 1995.
20. "ASEAN Must Become a Rapid-Reaction Grouping", *Straits Times*, 30 July 1995.

21. Harlan W. Jencks, "The PRC's Military and Security Policy in the post-Cold War Era", *Issues and Studies* 30, no. 11 (Taiwan: Institute of International Relations, November 1994): 73.
22. "ASEAN Must Become a Rapid-Reaction Grouping", *Straits Times*, 30 July 1995.

HOANG ANH TUAN is a researcher at the Institute of International Relations, Hanoi. His views in this article do not necessarily represent those of the Vietnamese Government nor those of the institution for which he works.

Contemporary Southeast Asia, Volume 18, Number 1, June 1996

The Role of Government in the Utilization of Official Development Assistance in Vietnam

PHAM HOANG MAI

Vietnam's economic reforms have attracted the attention of the world, including the community of aid donors. Up to now, more than US$6 billion of official development assistance (ODA) has been pledged to support the economic reforms. However, the effective utilization of ODA flows in Vietnam requires the government to intervene actively in the ODA utilization process. Specifically, the government needs to restructure ODA flows, creating counterpart funds to support the government budget and hence mobilize private savings, and disburse more rapidly ODA commitments. On the other hand, the government should restructure the list of priority projects, allocate ODA towards essential socio-economic infrastructure projects and those that directly alleviate poverty.

In recent years, Vietnamese economic reforms have attracted the attention of the world, including the community of aid donors. Huge amounts of official development assistance (ODA) have been pledged in support of this economic reform process. However, ODA will be most useful for the economic development process only when it is directed towards essential, high priority development projects and programmes. This article analyses the importance of ODA in the economic development process in Vietnam, examining the unique role of the Vietnamese Government in ODA utilization, and discussing how ODA can best be used to support the economic development process in Vietnam.

Since the economic reforms of 1986, the Vietnamese economy has achieved high rates of growth. The gross domestic product (GDP) growth rate has been over 8 per cent in the last four years (about 9.5 per cent in 1995). Trade volume has also increased rapidly by 30 per cent, to reach more than US$11 billion in 1995. The inflation rate has declined from three digit figures in 1986 to about 13 per cent in 1995. Agricultural production has increased substantially, transforming Vietnam from a rice importer to the world's third largest rice exporter (around 2 million tonnes of rice a year). This achievement is more remarkable if one takes into account the sudden disappearance of ODA of US$1 billion a year from the Soviet Union, and the impact of the strict U.S. embargo on the Vietnamese economy prior to 1996.

It is a controversial question whether Vietnam needs ODA to finance its development in the coming years. Some economists might argue that, as Vietnam has grown rapidly without Soviet ODA since 1990, it might be good for Vietnam not to have access to ODA at all.[1]

In spite of impressive socio-economic achievements, the Vietnamese economy still shows many weaknesses that have constrained the achievement of even higher growth rates. In general, Vietnam remains a poor country with per capita GDP in 1993 of only US$170.[2] In addition, the economy still suffers from several macroeconomic weaknesses.

First, the economy is in the process of industrializing, even if the share of agriculture in GDP remains high compared to industry (36 per cent of GDP compared to 26.5 per cent of GDP in 1993).[3] This large share of agriculture in the economy results in a low domestic savings ratio (see Table 1) and therefore influences the capital accumulation process.[4]

Secondly, while domestic savings remain at low levels, the fiscal deficit has increased in recent years, reflecting the contradiction between, on the one hand, the low level of government revenue and, on the other, the high demand on current expenditure, especially for investment in infrastructure and social programmes. As shown in Table 1, the fiscal deficit was as high as 4.7 per cent of GDP in 1993.

Thirdly, like many other less developed countries undertaking reforms, Vietnam is caught in a high debt-service trap. Vietnam's interest on debt obligations amount to about US$200 million per year and it has been very difficult for it to fully service its hard currency debt of US$6.4 billion in recent years.[5]

As a consequence of an economic structure dominated by agriculture, low domestic savings and investment, high rates of fiscal deficit and debt service, the current account deficit is severe. It was 8.3 per cent of GDP in 1993, and 8.7 per cent in 1995.[6]

TABLE 1

Macro-Economic Indicators, 1990–95

		Actual			*Pre.*
	1990	*1991*	*1992*	*1993*	*1994*
1. GDP growth rate (percentage of GDP)	5.0	6.0	8.6	8.1	8.7
2. Trade gap (US$million)	-41	-63	-60	-655	-433
— Share in GDP (percentage of GDP)	-0.4	-0.6	-0.5	-5.1	-2.8
3. Gross investment (percentage of GDP)	11.7	15.1	17.0	19.4	19.9
4. National savings (percentage of GDP)	7.4	13.1	16.3	11.2	15.1
5. Current account (percentage of GDP)	-4.2	-1.9	-0.7	-8.3	-4.9
6. Fiscal deficit (percentage of GDP)	-5.8	-1.5	-1.7	-4.7	-2.5
— Government investment (percentage of GDP)	5.1	2.8	5.8	7.0	7.2

SOURCE: Compiled from Tables 1.2, 1.4, and 1.5 in World Bank, *Vietnam. Public Sector Management and Private Sector Incentives* (Washington, D.C.: World Bank, 1994).

From the above data, it appears that it will be very hard for the government to deal with these difficulties without large amounts of ODA. Therefore, for long-term development in Vietnam, ODA could be an effective supplementary source of capital used to achieve higher growth rates.[7]

There are two projections of the demand on ODA for socio-economic development in Vietnam to the year 2000. One projection was made by the Vietnamese Government, and the other by the World Bank (WB). The Vietnamese Government projection is based on the main target of doubling GDP between 1990 and the year 2000.[8] In this projection, the GDP in the base year 1990 was estimated at about US$13 billion, and the targeted GDP in 2000 would be US$26.8 billion.[9]

Based on the estimated GDP in 1990 and targeted GDP in 2000, the total investment requirement would be in the order of US$40 billion. It is estimated that about half of this can be financed from local sources, while the remaining US$20 billion would have to come from external sources. Given the successful enlargement of foreign direct investment (FDI), it is projected that about US$12–13 billion of FDI would be available during the decade. Hence, there is a resource gap of US$7-8 billion which needs to be filled by ODA.[10] This amount of ODA represents disbursements, and therefore an average of more than US$1 billion of annual ODA commitments would be required over the next few years.[11]

In preparation for the second donors' meeting in November 1994, the World Bank carried out another projection on Vietnam's ODA requirements.

The 1994 World Bank projection was based on the Vietnamese Government's own medium-term target for GDP growth of 8 per cent until the year 2000, and the Incremental Capital Output Ratio is assumed to increase gradually to 3.4 by 1999. On that basis, the investment rate would have to increase from 20 per cent of GDP in 1994 to 26 per cent by 1999, while domestic savings would have increased from 15 per cent of GDP in 1994 to 20 per cent of GDP by then.[12] Furthermore, in the 1994 World Bank projection, the current account deficit was held to a level that could be financed from reliable sources, notably from foreign direct investment and ODA. It would decline from 8.3 per cent of GDP in 1993 to around 6 per cent where it would remain.[13]

Based on the projected current account deficit, on official medium and long-term amortization and reserve requirements, the financing needs in achieving the targeted growth of 8 per cent annually would be US$1.255 billion in 1994, increasing to over US$2 billion by 1999.[14] To achieve financing requirements, foreign direct investment was projected to meet about one-third to two-fifths of total financing flows, with the remaining flows coming from ODA. Of the projected ODA flows, long-term loans would comprise the major part, while grants would account for a little more than US$100 million a year.[15] The required quantity of US$1.1–1.2 billion of ODA disbursement in 1998–99 would necessitate new ODA commitments annually of around US$1.5 billion.[16]

In short, both the Vietnamese and World Bank projections show that ODA commitments of about US$1.5 billion are needed to achieve high growth rates. In recent years, ODA committed to support Vietnamese economic reforms has been on the rise. In November 1993, at the first donors' meeting in Paris, US$1.86 billion of ODA was pledged while at the same meeting in 1994, the amount of ODA commitment was US$2 billion. In the donors' meeting in 1995, the ODA commitment increased to US$2.3 billion.[17]

The expansion of ODA commitments and the unique conditions of socio-economic reform in Vietnam have required the active intervention of the government in economic management in general, and ODA utilization in particular.

The performance of socio-economic reforms since 1986 and the characteristics of the Vietnamese economy, such as the low level of development of productive forces and the underdevelopment of the domestic market (especially the market for credit and insurance) require the continued development of the market economy. They also require active government intervention in fulfilling their fundamental function but also in creating a favourable environment for the private sector's activities — in promoting industrialization, agricultural production, and export development and in achieving equitable income distribution.[18]

These components of government intervention are reflected in the ODA utilization strategy in Vietnam. Proper utilization of ODA flows should make a significant contribution to the socio-economic development process in Vietnam and this is more important than the total volume of ODA flows.[19] In contrast, inappropriate government policy might substitute ODA flows for domestic savings, reduce the effectiveness of ODA utilization, and create a high debt burden.

The government strategy for ODA utilization in the coming years is:

- — to support public investment programmes;
- — to improve and modernize socio-economic infrastructure in order to mobilize foreign and domestic private investment;
- — to support macro-economic stabilisation policies during the reform process; and,
- — to alleviate poverty and reduce income disparities.[20]

The reality of ODA utilization in 1993 and 1994, however, has raised several questions. In 1993, when ODA commitment and ODA flows to Vietnam were beginning to rise, foreign savings accounted for more than 8 per cent of GDP, but domestic savings seemed to be crowded out. Domestic savings declined from 16.3 per cent of GDP in 1992 to 11.2 per cent in 1993.[21]

The low rate of ODA disbursement is another concern. In 1994, of the US$1.86 billion ODA commitment, only US$400 million, including about US$200 million in concessional loans, was actually disbursed.[22]

Furthermore, in moving to a market economy, the poverty situation, income distribution and income disparity will need special attention and support from government and donors.[23]

In view of the general strategy for ODA utilization, and the existing problems of ODA flows in recent years, the Vietnamese Government will, in the years ahead, need to:

- — restructure ODA flows in order to disburse more effectively and more rapidly ODA commitments. In particular, counterpart funds need to be created to match ODA flows, to support domestic production, and to enhance macroeconomic stabilization.
- — restructure the government's investment priority list.
- — focus ODA flows to alleviate poverty.

Restructuring ODA Flows

The Need to Create Counterpart Funds

The low rate of ODA disbursement and of domestic savings are largely attributed to the problem of ODA being heavily targeted on financing capital investment projects in Vietnam. In the meantime, the fiscal deficit, and the need to import intermediate and consumer goods as well as counterpart funds, have not received adequate attention.

The above problems have constrained ODA disbursements and, in general, constrained growth rates. Hence, there is a need to create counterpart funds through ODA programmes that would allow Vietnam to disburse more speedily ODA commitments, which at present amount to more than US$6 billion.[24] Counterpart funds could be created through the Import Support Programme (ISP) financed by ODA flows, in which high priority materials and intermediate goods, and possibly a small proportion of consumer goods, would be imported through ISP and sold on the domestic market for local currency. This local income could be used to support the government's budget in financing development projects and programmes. Moreover, the creation of counterpart funds also fills the import gap in consumer and intermediate goods.

The active role of the Vietnamese Government in economic management is reflected through, among other things, its public investment programme. At present, the government budget, and capital expenditure in particular, are in a difficult situation. Between 1990 and 1993, the fiscal deficit was on the rise, as shown in Table 1.[25]

Of all government revenue, tax revenue (from the state sector, the private sector and external trade tax) is the most important component and has been increasing rapidly, from 12.8 per cent of GDP in 1990 to 19.8 per cent in 1993. This increase in tax effort, combined with the fact that the GDP growth rate has remained high for several years, has resulted in negligible substitution of ODA for domestic consumption.

However, the high proportion of tax revenue in GDP has made the government cautious of any move to raise taxes.[26] It also suggests that any large increase in revenue as a share of GDP is not likely to occur. The huge fiscal deficit was attributed to heavy public expenditure. Between 1991 and 1994, public investment in infrastructure and human resources increased rapidly. Real government spending doubled over this period, while capital expenditure as a percentage of GDP increased from 2.8 per cent in 1991 to 7.0 per cent in 1993, and to 7.2 per cent in 1994.[27]

This increase in government expenditure and investment was planned on the basis of an optimistic forecast of ODA and FDI disbursements. In fact, only 21.5 per cent of ODA commitments and 44 per cent of FDI were actually disbursed. This led to a huge fiscal deficit and an increase in domestic credit by nearly 60 per cent in 1993. As a consequence, this situation contributed to an increase in inflation (in 1994, the inflation rate was 14 per cent compared to 5.2 per cent in 1993).[28]

In short, the fiscal deficit requires the use of ODA flows to support the government budget possibly through the Import Support Programme. The lack of government revenue, on the one hand, and the high fiscal deficit on the other, also generated several problems for ODA disbursement.

In general, ODA usually covers only foreign currency requirements for machinery, equipment and services that cannot be produced domestically. The receiving government has to provide sufficient resources to cover other expenditures such as wages, domestic materials, project field costs, and so on. In Vietnam, it has been estimated that US$1 of ODA requires a Vietnamese input of around US$2.[29] Since the late 1980s, economic policies have changed towards a reduction of government subsidies and involvement in public investment programmes. Hence, the ratio of local funds needed to meet every US$ of ODA flow has been reduced to around US$1.50. In the 1994 budget, because of lack of government revenues, only 1,000 billion Vietnamese dong (about US$91 million) was allocated to match ODA flows.[30]

As a consequence of limited local funds, only a small proportion (US$400 million) of ODA commitments (US$1.86 billion) was disbursed in 1994.[31] The low level of ODA disbursements has, in its turn, led to a further deterioration of the fiscal deficit.[32]

The need to restructure ODA flows to reduce the government budget deficit can also be viewed from the relation between public investment and private investment, both foreign and domestic. The chronic fiscal deficit and the low level of public investment have constrained private investment through the adverse impact of pushing up the inflation rate, and a lack of essential infrastructure.

FDI in Vietnam has been high in commitment but low in implementation. The actual implementation rate was 44 per cent by the end of 1993, with a one-year time lag.[33] This low rate of implementation was attributable to bottlenecks in infrastructure, the consequence of long-term inadequate public investment.[34]

For the private sector, which accounts for two-thirds of GDP, the mobilization of domestic private savings is essential for economic development. Since 1990, private savings have increased to about half of gross investments but has fluctuated at low levels. The low rate of private savings is rooted in the characteristics of the Vietnamese private sector. This is large in terms of the number of enterprises, but is of low capital intensity, and is therefore concentrated in small and medium-sized manufacturers (for example, electronics, textiles, handicrafts), service and construction operations in urban areas, or small and medium-sized agro-industrial production. Thus, the expansion of the private sector in Vietnam depends largely on the public investment programme, especially on large-scale road construction, including the rehabilitation of existing national and provincial roads, and investment to ease the power shortage in the south of Vietnam.[35]

The process of economic development in Vietnam also requires ODA flows to finance the import of intermediate and consumer goods. But these needs have been left to the market to deal with, while foreign capital flows, especially ODA, have focused on development projects and on financing imported investment goods.

The lack of ODA support in importing intermediate and consumer goods has resulted in low growth rates in several sectors that depend on imported materials as essential inputs (such as manufacturing or heavy industry), as well as the increase in the smuggling of consumer goods.

In recent years, this gap, and the trade deficit in general, has increased rapidly from almost zero in 1992: in 1993, the trade deficit was US$655 million or 5.1 per cent of GDP, increasing to US$900 million in 1994 (or 5.9 per cent of GDP (see Table 1).[36] This rapid increase in the trade deficit is attributable to low and undiversified exports and to rapidly increasing imports.

In the export sector, the annual increases in exports have fluctuated. It was as high as 35.9 per cent in 1990 and as low as 12.4 per cent in 1993.[37] In 1994 the growth rate was 26.3 per cent, reaching a modest level at US$3.6 billion.[38] This reflects the fact that two of the country's major exports have reached plateaus: oil exports cannot increase much until new production fields come into operation, while rice exports have probably reached their market limit.[39]

Annual increases in imports remained high, at 46.4 per cent in 1993 and 28.4 per cent in 1994.[40] The rise in imports has been the result of increases in domestic credit and government expenditure, including capital projects. Most of the increase in imports in 1993 was attributable to capital goods (which rose by US$600 million) and to intermediate goods.[41]

Moreover, the import of intermediate goods is on the rise as development takes place. In the past, the demand for imports of intermediate goods (such as raw materials for industry, and fertiliser) were limited owing to the economic recession and the lack of foreign exchange. But as the economy has recovered and investments in capital and infrastructure projects have increased, many new investment projects are likely to come on stream. In this connexion, an Import Support Programme will be needed within ODA flows to support the importation of such intermediate goods.

From the above analysis, it would appear that there is a need for ODA flows not only to support public investment but also to reduce the budget deficit. The analysis of the trade deficit, and on the need to finance the import of intermediate goods and to some extent, consumer goods, also suggests a need for ODA flows to support the import of such goods through an ISP. The low rate of ODA disbursements in Vietnam also creates a need to build up counterpart funds through ODA flows to match ODA in development projects and to disburse ODA commitments more effectively.

These requirements could be met by setting up an ISP, in which a part of ODA will be used to import the essential intermediate goods for domestic production and basic consumer goods. These goods would be sold in domestic markets for local currency and the revenue could be used to support the government budget in development projects. In particular, these funds could be used as counterpart funds to match ODA flows in development projects.[42]

However, the amount of ODA that needs to be allocated for an ISP would depend on how much ODA would be disbursable, how much would be used for technical support and training, how much of additional intermediate and consumer goods are needed (beyond export earnings), as well as how much of the government budget would be allocated to counterpart funds.

For 1994, in order to absorb US$1.86 billion of ODA commitments, an estimated fund of about $380–470 million of ODA (or 20–25 per cent of ODA commitments) would have been needed to finance the import of intermediate and consumer goods in order to support the government budget and create a counterpart fund to match the ODA flows. This is a very approximate estimate but it provides the order of magnitude of how ODA might be restructured. It suggests that the projection of the World Bank to use only US$120 million from bilateral ODA in 1995 for quick disbursement purposes was far from sufficient.[43]

In conclusion, the restructuring of ODA flows away from a heavy concentration on the import of investment goods towards allocating a part of ODA flows (about 20–25 per cent of ODA commitments) to finance the import of intermediate and consumer goods would help to cover the fiscal deficit by creating counterpart funds to absorb more efficiently ODA flows in development projects and promote private investment. Moreover, this restructuring would also satisfy the increasing demand for intermediate and some essential consumer goods as the socio-economic development process takes place.

Public Investment Priority: Problems and Solutions

In preparation for the first donors' meeting in November 1993, the Vietnamese Government determined the intermediate priority projects for which external financial sources had been sought. The list included 121 projects with a total investment of US$9.4 billion, of which 38 were economic infrastructure projects with a total investment of US$7.55 billion; 17 were social-infrastructure projects with a total investment of US$1.83 billion; and 66 were technical co-operation projects with a total investment of US$22 million.[44] This section will examine the 1993 priority list and suggest how this list might be improved in accordance with the restructuring of ODA flows discussed earlier.

Overall, the priority list included projects with a total investment of US$7.5 billion for economic infrastructure projects alone. These projects were designed to be implemented over four to seven years, to commence as early as 1993 or 1994. These huge investments, which were to be implemented within a short period, were too optimistic and beyond the capacity of both the donors and the absorptive capacity of the Vietnamese.[45]

Secondly, the projects in the priority list focused heavily on the transport and energy sectors. The investment in these sectors was US$5.217 billion, accounting for about 70 per cent of the total financing requirements for infrastructure projects.

In contrast to the large investments in transportation and energy, the investments in agriculture (including irrigation and forestry) and human resources (such as education and health care) were modest. For example, the total investment requirement for agriculture was just US$2 billion or 21 per cent of the total financial requirements, while this sector contributed about 36.0 per cent of GDP in 1993 (compared to 26.5 per cent for industry and 11.2 per cent for the trade sectors) and accounted for the employment of around 80 per cent of the working population.[46]

Thirdly, the priority list included some projects that could be self-financed and which are economically viable. The list of priority projects included developing airports and seaports that could be financed through foreign direct investment or BOT (Build-Operate-Transfer) methods.

Fourthly, the priority list had not focused directly on poverty alleviation. Of the US$9.4 billion of financial requirements, only a few projects such as the family planning programme, malaria prevention, and clean water supply, were designed to tackle poverty directly. These projects accounted for about 17.0 per cent of total financing requirements.

From the above analysis of the weaknesses of existing externally-funded priority projects, it is clear that an improved list is needed in order to utilize ODA flows more effectively. Vietnam's success in achieving socio-economic development in the coming years depends largely on how appropriately the government sets priority projects and manages ODA flows.[47]

The existing priority list set by the Vietnamese Government in 1993 has to be reconsidered. Many projects that are economically viable should be excluded from this list. The Government of Vietnam has decided that "ODA resources will be utilised primarily for socio-economic infrastructure projects which are unlikely to recover costs".[48] On that basis, several projects should be excluded from the list of priority projects and forced to operate along purely commercial lines.[49] These include eight projects for upgrading and building airports in Hanoi, Ho Chi Minh and Da Nang cities, building and upgrading seaports in Hai Phong, Cai Lan, Da Nang, Ho Chi Minh city and Vung Tau, with total investments of US$1.46 billion. Moreover, electricity projects worth US$1.7 billion also need to be reconsidered and excluded where they do not fit the above criteria.

The exclusion of several transportation and electricity projects from the priority list suits the move to a market economy, in which the "responsibility for most investment should be transferred to the private sector and to financially independent state enterprises".[50] The exclusion of these projects, forcing them to operate along commercial lines, would reduce government subsidies, mobilize private savings and foster sustainable development.[51] The process can be started by using small portions of ODA flows to support these projects in the form of concessional credits. This is different from past practice where funds were provided freely for these projects.[52] It is likely that some of these projects might not initially be economically viable because of such factors as low income per capita or low transportation density, and therefore they will need some support from the government. However, with the high growth rate of the economy, these projects could be expected to be economically viable over the next ten to fifteen years. This kind of trend has occurred with the introduction of reasonable fees for the use of electricity and irrigation for agricultural production or other infrastructure.[53]

In the case of charging road users, the World Bank estimated that in Vietnam, the potential yield from recommended road user charges is 2,660 billion dong, 330 million dong higher than the 2,300 billion dong required for road maintenance.[54] On the other hand, the exclusion of these projects requires the government to implement related policies in order to allow the projects to operate effectively and viably in the private sector. Notably, the government has amended the Foreign Investment Law that provides special regimes for BOT projects.[55]

By October 1995, six projects in the transportation sector (such as constructing a highway near Ho Chi Minh City and National Road 14, and the building of several large bridges) worth US$610 million had been prepared using the new BOT method. At the same time, other projects, including the ring road around Hanoi, and the railway linking Lao Cai and Vung Tau were being considered.[56] Almost all of these projects appeared in the priority list of investment projects to be financed by ODA in 1993.

In general, the exclusion of these projects, forcing them to operate commercially, would reduce the fungibility of ODA flows and reduce government expenditure in terms of operation and maintenance costs. Moreover, by promoting the private foreign and domestic sectors, investment in these projects would also avoid the crowding-out effects of ODA flows in Vietnam's private sector.

The exclusion of several projects from the priority list would create room for several projects related to poverty alleviation, such as developing a rural transportation system or programmes that directly tackle problems of poverty.

ODA and Poverty Alleviation

A Vietnam Living Standards Survey (VLSS) carried out between 1992 and 1993 showed that the incidence of poverty was extremely high, the consumption level of 51 per cent of the population being below the widely used international poverty line.[57] There are significant regional disparities in living standards throughout the country. The proportion of people below the poverty line ranges from 33 per cent in the southeast (the wealthiest area) to 71 per cent in the north-central coast (the poorest area).[58]

However, some other welfare indicators suggest that in certain respects Vietnam is doing much better than many other developing countries. Vietnam's literacy rate is a high 88 per cent, and the under-five mortality rate is about one-third that of other low-income countries. Life expectancy is 67 years.[59] The VLSS also found that the distribution of consumption in Vietnam is relatively equitable, with a national gini coefficient of 36 per cent.[60] The poverty situation, however, is severe and calls for, on the one hand, high economic growth rates throughout the country and, on the other, setting specific programmes, preferably financed through ODA, to tackle directly the problems of the poor.[61]

Given the vast difference between regions in growth rates (ranging from 2.5 per cent annually in the north-central to 15 per cent in the southeast) and income distribution (gini coefficients range from 25 per cent to 42 per cent), the World Bank has come up with a simulation of how high growth rates can help to alleviate poverty.[62] In this simulation, three growth scenarios were carried out with normal growth rates of 6 per cent, 8 per cent and 10 per cent respectively. If the economy were to grow at an annual growth rate of 8 per cent, and each province were to continue to grow relatively at the 1993 growth rate, national poverty would decline from 51 per cent to 29 per cent by the year 2000. If, however, all regions were to grow at the national average of 8 per cent, poverty incidence would decline to 23 per cent in the year 2000.[63]

In this simulation, the scenario of maintaining the growth rate at 8 per cent in all regions seems to be appropriate. First, this target growth rate is achievable, taking into account the recent performance of the Vietnamese economy. Secondly, the scenario achieves the lowest possible poverty incidence in the year 2000. The investment policy that is required to achieve 8 per cent growth in all regions requires that government investment funds, including ODA, rather than heavily concentrated in growth centres, should be evenly spread throughout the country, and should focus on small and medium projects that directly help the rural poor.[64] This could result in lower aggregate rates of growth, but poverty reduction would be quicker if regional growth is more evenly distributed.[65]

This development strategy requires more specific investment projects in infrastructure, financed by ODA, targeted at the poor regions. In particular, while several projects in transportation (such as building a new airport or seaport or energy generation) would be excluded, the necessary development of the rural road and irrigation system would be added.[66] In general terms, a more equitable development path in Vietnam seems to be a better means to tackle poverty than the trickle-down method, and it requires inclusion in the investment priority list of some rural transportation and irrigation development projects. On the other hand, specific programmes for directly alleviating poverty are still needed. These are job creation programmes, health care and education programmes and rural credit programmes.

For job creation, public works schemes, financed by ODA flows, would serve the poor better, especially in rural areas. There were about 1.5 million people unemployed and 6.5 million people underemployed in rural areas in 1992.[67] The acute seasonality of income and the huge requirements to rehabilitate and construct infrastructure in Vietnam suggest that public works schemes may be a promising option for alleviating both transient and chronic rural poverty in Vietnam. Through these schemes, low wages could be offered to unskilled labour. Since only those who have no better alternative participate, such schemes should reach the poorest of people.[68]

For health care, the ODA flows can directly improve living standards and the quality of health care services for the poor in several ways.

First, ODA flows could continue to support existing programmes against several diseases such as HIV, iodine deficiency, and malaria. Secondly, ODA flows can support directly the reduction of medical costs to the poor, and the poorest areas, by subsidizing the costs of drugs, and treatment, and by charging lower prices for facilities more likely to be used by the poor. At present, in the poorest areas, the average cost of a visit to a commune health centre is equivalent to about 8 per cent of non-food consumption while hospital outpatient visits cost about 26 per cent, and in-patient admissions 45 per cent.[69]

As for education, the enrolment rate dropped sharply between the late 1980s and early 1990s by about 20 per cent for lower secondary school, by 50 per cent for higher secondary school, and by 20 per cent for post secondary school.[70] This situation calls for urgent support from ODA to reduce the cost of education, especially in the poor regions by:

- — increasing schooling subsidies substantially in order to eliminate the need for parental contributions to schools; and
- — providing free text books.

Pricing subsidies programmes can be implemented by targeting subsidies in the poor regions (such as mountainous or remote areas).[71]

The above-mentioned programmes in the areas of job creation, health care and education can directly improve living standards in some of the poorest areas, but poverty alleviation programmes in Vietnam require a more concrete scheme to improve the income of the poorest people, especially in the rural areas. The rural credit programme is designed to help the poorest peasants to enlarge and diversify their production, and increase their income. The rural credit programme is based on the fact that 80 per cent of the Vietnamese population and 90 per cent of the poor live in rural areas.[72] On the other hand, the existing rural credit system — the imposed interest rate structure and high access costs in obtaining credit — has limited the ability of poor households to borrow funds.[73]

Because of the lack of access to the formal sector, poor peasants have to depend on the informal sector (that is, private lenders) to finance their production, even though the interest rates are about 3–5 times higher than the formal sector.[74] About 79 per cent of poor peasants' credit comes from the informal sector.[75]

On that basis, an ODA-financed rural credit programme could be designed to provide cheap, convenient financial sources to the poorest farmers to help them avoid costly borrowing from the informal sector.

Moreover, an ODA-financed rural credit programme may help to diversify production from traditional farming towards handicraft or food processing in order to absorb surplus labour.[76] The volume of the loans would be small enough to discourage the richer peasants if they want to be involved. The average credit obtained by very poor peasants (who accounted for 13 per cent of the rural population) from the informal sector was just around US$5 per capita annually (compared to US$45 for the richest ones),[77] so that a loan of US$5 to each poor peasant, would help them to avoid costly borrowing from the informal sector and boost their production, thus increasing their income.

The rural credit scheme should initially be focused on the poorest peasants, who are in need of rural credit support. If each of them receives US$5 annually, an ODA-financed rural credit fund of US$37.5 million would be needed. This fund can be created through the ODA-financed ISP over several years, with the initial emphasis on the poorest, remote and mountainous areas and later expanded to other poor areas. The intermediate and consumer goods imported through ODA flows would be sold in the domestic market and the local currency created would be used partly to support this rural credit scheme.

In conclusion, the unique conditions of socio-economic development in Vietnam requires the active intervention of government in the economic management process, especially in ODA utilization. The government should restructure ODA flows towards supporting not only infrastructure projects but also the government budget, especially government capital expenditure. This would help to maintain stable macroeconomic conditions, mobilize private savings and absorb better ODA commitments, and satisfy the demand for intermediate and consumer goods.

Changes in economic policies towards market-oriented mechanisms also require the restructuring of the list of priority projects to be financed by ODA. Only essential infrastructure should be financed by ODA, while others should look for finance from the private sector. Moreover, there are many development programmes for social infrastructure development and poverty alleviation that need to be included in the priority list and financed by ODA. This strategy of ODA utilization will make ODA flows more useful for sustainable socio-economic development in Vietnam.

NOTES

1. M. Hiebert and S. Awanohara, "Aid: The Next Great Leap", *Far Eastern Economic Review* 156, no. 15 (1993): 69.

2. *World Development Report* (New York: Oxford University Press, 1995), p. 162.
3. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank 1994), p. 113.
4. Ibid., p. 16.
5. *Vietnam: Transition To The Market* (Washington D.C.: World Bank, 1993), p. 16; and Socialist Republic of Vietnam, *Vietnam: A Development Perspective* (Hanoi, 1993), p. 22.
6. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 16; and A. Schwarz, "Too fast for comfort", *Far Eastern Economic Review* 158, no. 45 (1995): 67.
7. Socialist Republic of Vietnam, *Vietnam: A Development Perspective* (Hanoi, 1993), p. vii; *Vietnam: Transition To The Market* (Washington D.C.: World Bank, 1993), p. 17; and *Vietnam Public Sector Management and Private Sector Incentives* (Washington, D.C.: World Bank, 1994).
8. Socialist Republic of Vietnam, *Vietnam: A Development Perspective* (Hanoi, 1993), pp. iii, 73.
9. Ibid., p. 74.
10. Ibid., p. 73.
11. Ibid., p. 74.
12. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 15.
13. Ibid., p. 15.
14. Ibid., pp. 18–19.
15. Ibid., p. 19.
16. Ibid., p. 18.
17. S. Islam, "Welcome Back", *Far Eastern Economic Review* 156, no. 47 (1993): 25; "'A' For Effort: Vietnam Earns High Marks At Donors' Meeting", *Far Eastern Economic Review* 157, no. 48 (1994): 77; and Tran Xuan Gia, "Charting the nation's course into the new year", *Vietnam Investment Review*, No. 220 (1996), p. 4.
18. P. Utting, "From Orthodoxy to Reform: Historical Experiences of Post-Revolutionary Society", *Third World Quarterly* 13, no. 1 (1992): 54; T.T. Dan, "The Role of the State and Economic Development in the Reconstruction of Vietnam", in *Vietnam's Dilemmas and Options: The Challenge of Economic Transition in the 1990s*, edited by M. Than and J.L.H. Tan (Singapore: Institute of Southeast Asian Studies, 1993), p. 32; C. Thayer, "Renovation and Vietnamese Society: the Changing Role of Government and Administration", in *Doi Moi — Vietnam's Renovation Policy and Performance*, edited by D.K. Forbes, T.H. Hull, D.G. Mar and B. Brogan, Political and Social Change Monograph No. 14 (Department of Political and Social Change, RSPS, Australian National University, 1991), pp. 21–33; and G. Ranis, "The Role of Government and Markets: Comparative Development Experience", in *State and Market in Development: Synergy or Rivalry?*, edited by L. Putterman and D. Rueshemeyer (Boulder: Lynne Reinner, 1992), p. 85.
19. *Vietnam: Transition To The Market* (Washington D.C.: World Bank, 1993), p. i.
20. Socialist Republic of Vietnam, *Vietnam: A Development Perspective* (Hanoi, 1993); *Vietnam: Transition To The Market* (Washington D.C.: World Bank, 1993); *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994); and United Nations Development Program 1990, *Report on Economy of Vietnam* (Hanoi: UNDP, 1990).
21. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 6.

22. S. Islam, "'A' For Effort: Vietnam Earns High Marks at Donors' Meeting", *Far Eastern Economic Review* 157, no. 48 (1994): 77.
23. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994); and *World Development Report* (New York: Oxford University Press, 1995).
24. S. Islam, "'A' For Effort: Vietnam Earns High Marks at Donors' Meeting", *Far Eastern Economic Review* 157, no. 48 (1994): 77.
25. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), pp. 11–12.
26. Ibid., p. 7.
27. Ibid., pp. 8–9.
28. Ibid., pp. 11–12.
29. A. Fforde, "Vietnam's mixed blessing", *Far Eastern Economic Review* 145, no. 37 (1989): 76.
30. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), pp. 35.
31. "A Look At 1995 Issue", *Vietnam Economic Times*, no. 9 (Hanoi, 1995), p. 5; and S. Islam, "'A' For Effort: Vietnam Earns High Marks at Donors' Meeting", *Far Eastern Economic Review* 157, no. 48 (1994): 77.
32. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 3.
33. Ibid., p. 67
34. Ibid., p. 75.
35. *Vietnam: Transition To The Market* (Washington D.C.: World Bank, 1993), p. ix.
36. "Internal Successes and External Favours", *Vietnam Economic Times*, no. 4 and 5 (1995).
37. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 16.
38. Ibid., p. 16; "Internal Successes and External Favours", *Vietnam Economic Times*, no. 4 and 5 (1995), p. 5.
39. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 60.
40. Ibid., pp. 13, 17; "Internal Successes and External Favours", *Vietnam Economic Times*, no. 4 and 5 (1995), p. 5.
41. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 13.
42. S. Islam, "'A' For Effort: Vietnam Earns High Marks at Donors' Meeting", *Far Eastern Economic Review* 157, no. 48 (1994): 77; *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 18; and United Nations Development Program, *Report on Economy of Vietnam* (Hanoi: UNDP, 1990), p. 72..
43. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 18.
44. Socialist Republic of Vietnam, *Vietnam: A Development Perspective* (Hanoi, 1993), pp. 85–99.
45. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 36.
46. Ibid., p. 113; and Socialist Republic of Vietnam, *Vietnam: A Development Perspective* (Hanoi, 1993), pp. 85–99;

47. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 9.
48. Socialist Republic of Vietnam, *Vietnam: A Development Perspective* (Hanoi, 1993), p. 81.
49. A. Schwarz, "Listen up", *Far Eastern Economic Review* 158, no. 46 (1995): 99.
50. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 29.
51. R. Cassen and Associates, *Does Aid Work?* (Oxford, New York: Clarendon Press, 1986), pp. 57, 105; and J. Lee, *Financial Sector and Economic Development: A Survey* (Manila: Asian Development Bank, 1991), p. 22.
52. Socialist Republic of Vietnam, *Vietnam: A Development Perspective* (Hanoi, 1993), pp. 81.
53. Ibid., pp. 51, 62.
54. *Vietnam Transport Sector Serving an Economy in Transition* (Washington D.C.: World Bank, 1994), p. 55.
55. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 67.
56. "Transport Ministry Issues Wish", *Vietnam Investment Review* (VIR), no. 209 (1995), p. 26.
57. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), pp. 79–82.
58. Ibid.
59. Ibid.
60. Ibid.
61. See A. Schwarz, "Listen up", *Far Eastern Economic Review* 158, no. 46 (1995): 99.
62. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 83.
63. Ibid., pp. 82–85.
64. See A. Schwarz, "Listen up", *Far Eastern Economic Review* 158, no. 46 (1995): 99.
65. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), pp. 82–85.
66. Socialist Republic of Vietnam, *Vietnam: A Development Perspective* (Hanoi, 1993), p. xi.
67. Ibid., p. 28.
68. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994), p. 96.
69. *Vietnam: Poverty Assessment and Strategy* (Washington D.C.: World Bank, 1995), p. viii.
70. Ibid., p. 83.
71. Ibid., p. viii.
72. General Statistical Office of the Socialist Republic of Vietnam, *Statistical Yearbook 1993* (Hanoi: General Statistical Office [GSO], 1994), p. 9; and *Vietnam: Poverty Assessment and Strategy* (Washington D.C.: World Bank, 1995), p. iii.
73. *Vietnam Public Sector Management and Private Sector Incentives* (Washington D.C.: World Bank, 1994).
74. Ibid., p. 106; and *Vietnam: Poverty Assessment and Strategy* (Washington D.C.: World Bank, 1995), p. 73.
75. Ibid., p. 73.

76. Ibid., p. 57; and Socialist Republic of Vietnam, *Vietnam: A Development Perspective* (Hanoi, 1993), p. xi.
77. *Vietnam: Poverty Assessment and Strategy* (Washington D.C.: World Bank, 1995), p. 74.

PHAM HOANG MAI was formerly a graduate student of the Flinders University of South Australia.

Contemporary Southeast Asia, Volume 18, Number 1, June 1996

BOOK REVIEWS

Asian Flashpoint: Security and the Korean Peninsula. Edited by Andrew Mack. Sydney: Allen and Unwin, 1993. 175 pp.

Several reasons make reviewing an edited book dealing with contemporary affairs difficult. Chapters in the book do not usually share the same style, methodology, and approach. The situation and context in which the book was written are changeable, and sometimes a once critical issue loses its relative significance over time. Andrew Mack's book may have some of these weaknesses. For instance, North Korea's nuclear problem was temporarily settled through the Geneva accord, but what came to the fore were issues of multilateral co-operation through the Korean Peninsula Energy Development Organization (KEDO), food aid to flood-stricken North Korea, and a peace treaty between North Korea and the United States. Furthermore, the Taiwan Strait had recently commanded more attention as a flashpoint in East Asia than the Korean peninsula.

Nevertheless, surviving three years since its publication testifies to the book's durability, reminding us that the Korean problem is still one of the critical issues left to be solved in the post-Cold War world. Compared to other books of this category, authors here prefer realistic appraisals to diplomatic rhetoric, and most articles take the proper levels of analysis for understanding security (and insecurity) dilemmas in the Korean peninsula. This review examines the various authors' arguments on the position of each country concerned with the Korean problem by covering three key issues: strategic intentions of the actors, their domestic politics, and the possibility and limit of a multilateral approach to the problem.

We should start with North Korea's position. As both Bracken (Chapter 7) and Moon (Chapter 9) correctly indicate, North Korea's strategy boils down to matters of "state survival" or "regime interests". Confronted with dual problems of internal/economic and external/military security simultaneously, North Korea's "tactical" use of nuclear "strategy" was a viable decision. With the nuclear option open and a willingness to compromise, North Korea's *quid pro quo* meant reduced military tensions, at least with the United States, a better position in normalizing relations with the United States and Japan, and economic benefits, including light water reactors.

Unfortunately, a reduction of tension hardly suffices as a true solution to the Korean problem. North Korea's defensive shift and its desire to join the multilateral club in East Asia coincide with the status-quo orientation of the United States and Japan, which will enhance short-term stability in the region. Bracken's fear of North Korea's isolation and Mack's suggestion of unilateral assent (Chapter 1) both have their limits. In order to understand this knotty subject, we should recognize the ongoing zero-sum game between the two Koreas and the ways in which North Korea perceives its security threat.

One aim of South Korea's Nordpolitik, which has led to normalization of relations with China and the Soviet Union, was to take the initiative in inter-Korean relations by isolating North Korea. North Korea's recent policies are similar to this miscalculated zero-sum strategy. Its regime security is still based on the existence of an enemy, and South Korea is the remaining target of threat mobilization. North Korea's relative opening does not necessarily imply that it will accept the rules and norms of the market and democracy. Therefore, if the North Korean state thinks that the continuing involvement might jeopardize its own political or policy-making autonomy, other options would be considered. As Moon argues, the North Korean conception of security is "relative and context-bound".

Compared to North Korea, South Korea's reaction to the nuclear problem and its position on the reunification issue have been inconsistent. As Hayes (Chapter 6) suggests, this is partly due to the domestic politics of South Korea. The complex pattern of political coalitions, the lack of bureaucratic consensus in dealing with North Korea, and the uncertain mix of security and economic interests are obvious factors of turbulence. Consequences of the congressional election in 1996 and the presidential election in 1997 will be significant in this regard. However, South Korean policies in the post-Cold War era also show some continuity in their emphasis on a gradual and long-term approach under the assumption of South Korea's ideological and economic ascendancy.

Hayes' argument that both the reunification and nuclear issues are of great symbolic potency in South Korean politics is well taken, but his analysis of the potential nuclear proliferation propensity of South Korea, or a reunified Korea is somewhat misleading. While classical balance of power relations in East Asia may reappear in the post-Cold War period, South Korea's security discourse remains focused on the calculation of "relative gains" in inter-Korean relations. Its embeddedness within the triangular relationship with the United States and Japan, and its growing economic interdependence with China and Russia make South Korea's search for a nationalistic security alternative problematic.

What South Korea wants is relative autonomy in the peninsula and great power co-operation in inducing internal changes in North Korea. This explains South Korea's sensitivity to American unilateral actions towards North Korea. Consequently, the KEDO model, in which South Korea plays an important role in a multilateral setting, should be seriously pursued. However, the dilemma will continue because the North Korean state is likely to perceive an enhanced South Korean role as a major threat. As Cotton (Chapter 10) suggests, there is also no guarantee that a relatively open North Korea will be favourably disposed towards its southern neighbour.

The possibility of a meaningful transition on the Korean peninsula is still strongly affected by the intentions of surrounding powers. Instead of the strategic environment dominated by U.S.-Soviet rivalry, a multipolar structure or a latent bipolarity between the United States and China is emerging in East Asia. The logic of power balance in this region, however, is much more complicated than in the Cold War era.

According to Levin (Chapter 2), the United States is interested in reducing tensions on the Korean peninsula and reinforcing stability in East Asia, and also in supporting peaceful reunification of the two Koreas. Tentative settlement of the nuclear issue and the improvement of U.S.-North Korean relations via America's policies of engagement and enlargement can contribute to the first goal of stability. The issue of reunification, however, may appear contradictory to United States interests because Washington could perceive the transition as a destabilizing factor in the region. Therefore, for the United States, strategic advantages that a unified Korea can offer should be considered, and the shape of both domestic and international orientations of the new polity will be important.

China shows greater flexibility for peaceful change in the Korean peninsula than the United States. As Ye Ru'an (Chapter 4) says, Beijing emphasizes the usefulness of a bilateral approach in dealing with the Korean problem. To a certain degree, this is due to the analogy with its own problems with Taiwan, but a close comparison between China and Korea easily suggests more differences than similarities. While South Korea's possible strategy of a delicate balance between China and the United States looks still premature, future U.S.–China relations will have a significant influence on Seoul's policy options. China's domestic situation — political leadership, economic reform and decentralization — will be a critical variable affecting East Asian security.

Japan does not have any intention to play an active and independent role in the Korean problem for the time being. As Morimoto (Chapter 5) shows, Japan is focused on regional stability and economic co-operation. This conservative position accommodates with American interests in East Asia. Negotiations with Korea around normalization are also part of Japan's regional strategy based on its two-Korea policy. Russia's influence on the Korean peninsula will also be limited. As Chufrin (Chapter 3) points out, economic interests are still predominant over security considerations. Moscow's orientation towards the reunification issue is ambiguous, and like China, domestic changes will likely affect its position on the peninsula.

The chapters in Mack's edited volume have different views on the relevance of multilateralism in East Asia. According to some authors, East Asia has fundamental limits in applying the European concept to its regional international relations. While the region has had hierarchical and bilateral relations traditionally, the experiences of colonialism and the Cold War have distorted the processes of modernization both domestically and internationally. Presently, these historical legacies make East Asian states wary of accepting ideas such as "indivisibility" and "diffused reciprocity", the core of multilateral consensus. The settlement of the security dilemma around the Korean peninsula will serve as a kind of melting point of these barriers.

The inevitability of a multilateral approach, however, seems to be evident in the discussion of co-operation in the post-Cold War era. Consequently, we have to consider how the preconditions of multilateralism can be attained in East Asia. The pursuit of multilateral security should be accompanied by realignments of bilateral relationships established during the Cold War and the expansion of non-political interdependence and dialogues. For the Korean problem, therefore, bilateral confidence (and hopefully consensus) building between the two Korean states is the first goal to be achieved. Mack's book provides many useful observations on security issues on the Korean peninsula, but solutions are still somewhat nebulous. The "pipe dream" may not come true unless the peninsula is relatively "Koreanized" and depoliticized.

WOOKHEE SHIN
Department of International Relations
Seoul National University

***The Gulf War: Critical Perspectives.* Edited by Michael McKinley**. Sydney: Allen and Unwin, 1994. 201pp.

The meaning and significance of the Persian Gulf War of 1990–91 for world politics is still unclear. At the time, critics and supporters heralded a "new world order" (whether George Bush's or not), but despite the vast number of books, articles and commentaries published on the causes, conduct and consequences of the war, there is still no scholarly consensus. And perhaps there will never be, nor should there be, one.

Michael McKinley's edited volume, *The Gulf War: Critical Perspectives*, might be accurately termed "second wave" scholarship on the Gulf War. Published and completed in 1994, it benefits from a couple of years of critical distance and perspective, and hence one of its goals is to contribute to a "critical" scholarly analysis of the war that goes beyond the instant analysis that characterizes much of the "first wave" literature of the early post-war period. Whether or not the book (or all its contributions) succeed equally at this is another question. The book's seven somewhat eclectic contributions can be divided into three general categories: those that are concerned with the Australian dimensions of the war, those that raise regional or comparative issues, and those of a more general or conceptual nature.

The first category includes contributions by James Richardson and Graeme Cheeseman. Richardson's thoughtful essay looks at Australia's reaction to and participation in the war through the prism of "political culture", notwithstanding the divergent interpretations ("both individualism and conformism, both forthrightness and inarticulateness") that can be given to so slippery a concept. The chapter raises troubling questions (albeit none unique to Australia) concerning the degree of "democratic" consultation in the Hawke government's decision to send warships to the Gulf, the intolerant and constricted public debate (which sounds, to an outsider, even narrower than the debate in the United States), and the seemingly rapid abandonment of Australia's strongly promoted "sense of self" as an Asia-Pacific state, an issue also raised by Malik's contribution. These points are well taken, although one could question whether or not the prism of "political culture" is necessary to advance our grasp of these sorts of issues, except of course as a sort of *cri de coeur* for a more mature and less provincial sort of politics.

Graeme Cheeseman's chapter focuses more directly on Australian defence policy and its participation in the war, by contrasting the declaratory intent of Australia's policy (which combined a regional orientation with a policy of self-reliance) with its ready participation in an American-led military operation in the Middle East. It highlights the contradiction, and goes on to ask whether or not this should be seen as a temporary aberration or a fundamental change. Of course, framed in this way the question is unanswerable. But the tensions in policy-making — between self-reliance and the need for access to (and perhaps assistance from) leading military powers, or between common or co-operative security and the resort to force, or between being a regional actor ("part of Asia") and an "international citizen" — are important. None, however, are uniquely Australian, and the chapter would have been improved with some attempt to reflect on the lessons of this experience for other states facing similar dilemmas or choices.

J. Mohan Malik's chapter, one of two contributions that raise regional or comparative issues, examines directly this tension between Australia's residual "imperial" reflex or orientation and its desire to assume a role as a fully-fledged member of the "Asia-Pacific region" (with its ever-variable geometry). It highlights Australia's failure to live up to its apparent promises to consult with Southeast Asian states before major military deployments, and the distinctively (albeit unsurprising) "Western" cast to Australian policy, but concludes that no real rift resulted. What is most interesting, however, is the observation that the lines of cleavage in the Asia-Pacific are manifold (between developed and less developed, or between large and small), and that Australia's role may be no more complex or contradictory than that of many other states in the region.

The comparative dimension is dealt with in Kim Richard Nossal's chapter on Canadian and Australian reactions to the war. Nossal contrasts the common public discourses and policies ("followership") of both Australia and Canada with what he claims are significant differences in the élite debate, and in the use of historical references. His chapter is the least "critical" (although the term is not defined in a confining way in the book), and is fairly descriptive. One wonders, for example, if the use of historical "lessons" is purely instrumental (to defend positions otherwise arrived at by a process of "rational calculus"), or if the historical experience is constitutive in that it shapes the way in which Australians or Canadians understand their interests. His chapter leans towards the former, although without directly addressing the interesting conceptual debate this issue raises.

The three more general chapters deal with the role of sanctions, the dangers of alliances, and the ethical dimensions of the conflict. Richard Leaver's piece on sanctions, which argues that "the ability of sanctions to contribute to the broad range of political goals which were important in the Gulf War were also ignored", is confused and unclear. He argues, for example, for the unique vulnerability of *rentier* states to sanctions, without acknowledging that, at least by mid-1994, the evidence from Iraq suggested this needed rethinking: for authoritarian *rentier* states, sanctions simply may not "feed into domestic economic and political processes". His analysis of the Iraqi nuclear effort also ignores completely the abundant chemical weapons stockpiles (and biological weapons-related materials) that were discovered. The chapter also suffers from not being embedded within the abundant literature on sanctions, within international relations and elsewhere.

Michael McKinley's chapter does not merely summarize the book, but also provides an argument against the peace-promoting nature of alliances. The central claim — that the end of the Cold War at least provided an opportunity (now lost) for "an elision of the more opportunistic and coercive reflexes of superpower politics" — is a strong one. His argument against alliances, however, suffers from the fact that few people claim that alliances *ensure* peace, although his more subtle point (that alliances in a world of power politics cannot be understood outside of the *realpolitik* impulses that drive them) is sustainable. But what is missing is a nuanced discussion of alternative conceptions: is McKinley advocating an embittered retreat to neo-isolationism or neutralism for Australia (or anyone else), or will he countenance efforts to build "security communities" (regionally or otherwise) as a partial way out of the harsh world of power politics? Positive alternatives to a self-interested neutralism need to be explored.

David Campbell's contribution, excerpted from his book *Politics Without Principle*, is one of the strongest in the volume. It systematically calls into question the "black and white" framing of the conflict that came to dominate the discourse of the war, through assembling the evidence that many of the fundamental claims behind the rapid move to use force were less than clear-cut. The border dispute between Iraq and Kuwait, the complicated economic and diplomatic ties between the United States and Iraq during the latter's war with Iran, and the many possible avenues (however narrow) for a negotiated solution are all well exposed. How much further Campbell can go than "problematizing" the unambiguous claims of the victors is, however, open to question (as he himself notes). On the issues of negotiation, for example, Campbell's analysis must assume not just that a negotiated solution was possible, but more importantly, that it would have been ethically defensible. This may be the case, but a careful analysis of possible outcomes would be required to sustain the point. On the other hand, his critical analysis of the various elisions and closures of the debate (from policy-makers to the media) is an excellent model for the sort of "second wave" critique that could have informed the entire volume.

Overall, the book makes only a modest contribution to the growing debate on the nature of world politics in the post-Cold War world — by my count it is the fourth Australian-oriented book of this genre. All of the contributors had previously published works on the Gulf War, and most contributions are amplifications, extensions or condensations of earlier writings. The volume would have made a stronger "second wave" contribution if its editor could have convinced the authors to go beyond or rethink their earlier analysis, or to raise in a genuinely "critical" (however defined) fashion some interesting broader analytical issues that the Gulf War raised. It may not, as James Richardson points out, be a "defining moment" of the post-Cold War order, but the Gulf War experience can be used to illuminate the International Relations landscape more clearly.

KEITH KRAUSE
Graduate Institute of International Studies, Geneva
and York University, Toronto

***Asia-Pacific: A View on its Role in the New World Order.* By M.S. Dobbs-Higginson.** Hong Kong: Longman Asia Limited, 1993. 422 pp.

Understanding the dynamism of the Asia-Pacific, Michael Dobbs-Higginson writes, requires a knowledge of the region's "discipline and focus", of its culture and philosophy, and of its newly evolving middle classes' "people-power". And a lack of understanding of these characteristics (rather than of the region's politics, science, and economics) has created misunderstanding and barriers not only between East and West but also among the peoples of the Asia-Pacific themselves.

Of the handful of writers who have so far taken up the challenge of trying to bring coherence, understanding, and insight to the broad sweep of the Asia-Pacific's extraordinary transformation since World War II, none has succeeded as well as Dobbs-Higginson. Nor, perhaps, has any been better qualified to do so. The Rhodesian-born businessman began his personal odyssey through the countries and cultures of the Asia-Pacific as a twenty-year-old student in a Buddhist monastery in Japan more than three decades ago. And his journeying reflects the value of an independent, inquiring mind, and a penchant for not accepting a belief or maxim before metaphorically tasting, touching and kicking it.

The volume addresses three interrelated matters: first, taking up some four-fifths of the contents, a perceptive overview of the region and lively portraits of individual countries; secondly, a powerful, though not entirely persuasive argument and "blueprint" for an Asia-Pacific forum; and thirdly, and least compelling — though not necessarily least important — a brief preliminary inquiry into what the author describes as the "diminishing moral value system in the new world order", with its consequent "vacuum of purpose and direction" among much of the contemporary, trade-focused, capitalistic world.

Dobbs-Higginson defines the Asia-Pacific as "those countries encompassed in the triangular region, from India down to New Zealand and up to China and Japan". The volume's strength lies especially in the quality of the country analyses. In a score of sharply focused chapters ranging from a few pages on Brunei ("an efficient oddity"), Burma/Myanmar ("a tragic exercise in futility"), and Papua New Guinea ("a leap from the Stone Age into the twentieth century") to 29 pages on India ("counterbalancing the Greater China threat"), 37 pages on the People's Republic of China ("balancing on the knife edge of order and chaos"), and 54 pages on Japan ("in search of understanding and a new role for itself"), the author reveals the worth of his lengthy, "hands-on" Asia-Pacific experience as a student, businessman and investment banker. To each analysis, he brings a prudent mix of history, culture, and contemporary policy issues and trends. Although completed in March 1993, the country analyses remain germane, and alone should ensure a healthy shelf-life for the volume, among both Westerners and Asians wanting a clearer insight into a region that is reshaping the world.

The author defines the Asia-Pacific both with reference to the region's "internal changes over the centuries, and particularly since World War II", as well as in terms of the way the region was "most likely to adapt to recent extraordinary developments" in the rest of the world. By the latter, he refers to the effective demise of communism, the end of superpower rivalry, and the emergence of trading communities, centred on the Americas and the European Community, "to fill at least a material part of the power vacuum caused by the Cold War's end". The dynamic for a third such community, centred on the Asia-Pacific, the author argues, arises from protectionist tendencies of the two Western trading communities and, as countries in the East become increasingly isolated, their consequent need to depend upon one another in order to survive. "Yet together these Eastern countries could command great strength and be a force for the continuance of trade, thus providing a genuine counterweight to the West — a balance the world requires".

The author's vision of a "trade-driven, regionalising world" partly reflects an acknowledged debt to Lester Thurow's *Head to Head: The Coming Economic Battle among Japan, Europe and America* (1992). Thurow argued that the GATT-Bretton Woods trading system had come to "the normal end of a very successful life". But in the absence of a dominant political power that could force everyone to agree to new rules of the game, as the United States had been able to in the 1940s, the new rules would be written informally by the European Community, as the largest, wealthiest market. And Europe would opt for a system of "managed trade" and "quasi trading blocks". In contrast to the 1930s, the new trading "blocks" would not try to reduce or eliminate trade, but seek to manage it to the advantage of their member states. For Thurow, free trade *within* regions, and managed trade *between* regions "may well be the long-run route to freer world trade". Jumping from national economies to a world economy in one step could be "too big a leap to make".

Dobbs-Higginson reinforces Thurow's vision by stressing both the isolationist tendencies of a post-Cold War America, and the Catch-22 situation of a West that had matured, taken on debt, and aged, in confronting the challenge of an Asia that, in contrast, was becoming younger, and studying, saving, and investing more in order to build for tomorrow. And he dismisses (Asia-Pacific Economic Co-operation) APEC as a "red herring", and "meaningless soapbox", as it "encompassed countries on both sides of the Pacific which had fundamental conflicts of interest in terms of their future economic and political goals". Similarly, he rejects notions of "open regionalism" as nonsensical and naive. In this, he seemingly agrees with Thurow who argues that economic gains not shared with outsiders "are the glue necessary to politically weld together a set of disparate countries". The larger the gap between insiders and outsiders, the more powerful the glue. But like nuclear deterrence in the past, Dobbs-Higginson argues, fear of retaliation would constrain "trading communities" in the extent to which they widened the insider-outsider gap.

At this stage of its development, the author sees the Asia-Pacific as two subregions: one, from India to Indonesia and up to China and Japan; the other, the countries he refers to as "Australasia" (Australia, New Zealand, and Papua New Guinea). His central argument that all the countries of the region have "more and more in common" applied to the Asian subregion; in contrast, Australasia did not have all that much in common with Asia. Yet these countries had no alternative but to "look north" for their long-term future. Accordingly, Dobbs-Higginson argues that Malaysia's Prime Minister, Datuk Seri Dr Mahathir bin Mohamad, was on the right track in proposing the East Asian Economic Grouping (EAEG), but erred in not including India and Australasia in his proposal. The Asia-Pacific, in particular Japan, needed India as a balance to the weight of China; India, in the necessary pursuit of an outward-looking economic policy, would be forced to look towards the Asia-Pacific rather than the West. And squeezed from east and west by the larger powers of Europe and North America, Asia and Australia could "co-operate diplomatically and work steadily towards stability in the region". For its part, Japan had a crucial role to play as co-leader, rather than "the leader", in bringing the Asia-Pacific together, as also did ASEAN as the geographical "swing factor" between Japan and China on the one hand, and the Indian subcontinent and Australasia, on the other.

Reflecting an acknowledged influence of Buddhist philosophy on his disposition and thinking, "discipline", "focus", and "balance" are among Dobbs-Higginson's favourite words. "I see the world primarily in terms of whether or not it is in balance — both in the macro sense (of a country, a region, and the world itself) and in the micro sense (of the local community and the individual person)", he writes. But he has in mind much more than balance between strong and weak, or the successful and unsuccessful in a material or physical sense. The superpower ideological conflict, he argues, provided a broad, fundamental "moral framework", and its absence had left a "moral vacuum", and the lack of a much needed clear and focused sense of purpose and direction.

Economic association or competition based on self-interest, on an individual, local, national, or global scale, would not satisfy the basic human need to identify with a value system transcending the individual's own immediate material interests. Nor would the answer be found by retreating into "tribal" communities, each with its own value system, however comforting in the short term. But the Asia-Pacific peoples could contribute to a "solution" by creating a clear regional identity and a "higher common purpose" within the co-operative framework of an Asia-Pacific community forum.

The volume's most significant contribution to Asia-Pacific studies is the persuasive case it makes for discarding the "old orthodoxy" that the Asia-Pacific will always be divided. In effect, Dobbs-Higginson turns Gerald Segal's *Rethinking the Pacific* (1990) on its head. Segal argues that "thinking of the Pacific as a separate region has never made much sense and will make increasingly less sense, despite all the talk of the coming Pacific Century". For Segal, who focused on the so-called "Pacific Rim", globalization was dividing the region economically, politically, and culturally even while "the opposite and sometimes simultaneous trend of entrenchment of divisions between certain parts of the Pacific, again on cultural/ideological as well as military and economic lines", was taking place. In contrast, for Dobbs-Higginson, "the divisive forces which pertained in the past are no longer relevant. In fact, as a result of the recent tumultuous changes in the world, many of these forces will now become unifying factors". Dobbs-Higginson does not deny the region's diversity, nor suggest that it "is an economic community waiting to happen; a natural confederation longing to launch itself on an unsuspecting world". His case rests on perceived long-term trends that, he believes, give the Asia-Pacific countries no option but to come together to "solve their common problems *vis-à-vis* the rest of the world". In short, the Asia-Pacific countries cannot avoid the same "tortuous road" that the European Community and America's NAFTA (North American Free Trade Area) are travelling. And he offers sound reasons why they could be more successful than the West.

The volume reinforces concerns about the danger of using Western-derived economic, political, and strategic theory to understand the contemporary Asia-Pacific. By approaching the region on its own terms, Dobbs-Higginson exposes important strands of coherence and order amid the Asia-Pacific's "chaos" (for example, unity and direction within the diversity of religions), as well as an underlying sense of focus and purpose that eluded Segal's flawed academic approach. Similarly, despite criticism of their own analyses, "revisionists" such as Chalmers Johnson, James Fallows, Clyde Prestowitz, and others, are right to challenge the adequacy of neoclassical economic theory and practice to explain East Asia's success. Western analyses that see the strategic outlook for the region in terms similar to eighteenth and nineteenth century Europe also lack credibility. Nor are these minor matters; the costs of Asia-Pacific policy based on flawed analyses could be dire.

That said, any ambitious work of this kind will be open to many criticisms, not least because the jury could remain out on the shape of the new world order (or disorder) for some time to come. For instance, the volume's vision of a tripolar world of quasi trading blocs remains one among several possible futures. After all, the World Trade Organization (WTO) is now in place, although it has yet to establish itself as an effective force for global liberalization. Regional trade deals abound, but so far their impact has remained relatively benign, and they could even be assisting global liberalization. NAFTA, AFTA (ASEAN Free Trade Area), and the Australia-New Zealand CER are reducing external barriers as they lower their intra-regional barriers. Regional blocs in Latin America and Africa that have not done so have tended to fail. Moreover, the extent to which APEC might embody "irreconcilable" trans-Pacific conflicts of interest will depend upon ongoing assessments in Tokyo, Washington, and elsewhere, of the way in which global change is affecting national interests. Modern history suggests that among great powers none has shown greater capacity to adapt to change than Japan and the United States. It would be premature to conclude that these powers will fail in the present time to do whatever might be necessary to protect and preserve their mutual interest in the stability and prosperity of the world's most economically dynamic region.

Even so, the challenges of the late twentieth century world are of a different order than in the past. In particular, two general trends are relevant to the author's concern with what he calls the "moral vacuum" and lack of purposeful leadership in the post-Cold War world. First, in responding to the nineteenth century threat of Western domination, non-Western societies are not only modernizing rapidly, and, in the process, moving the world towards a post-Western phase of history; they are also increasingly rejecting Western models of modernization, challenging Western claims to a universal political vision, and reasserting their own distinctive cultural identities. Secondly, while technology has continued to "shrink" the world, far from encouraging a unity of outlook among world societies, the effect has been more to create a sense of congestion, or latter-day "traffic problem", giving rise to new sources of tension based on differences in size, economic development, ideological persuasion, and civilization styles. Moreover, the domestic and foreign policy reforms these trends are demanding, impose heavy burdens upon states, not least intellectually and psychologically, especially among Western societies. The fate and shape of a new world order could depend heavily on how well the main players in the Asia-Pacific, especially the United States, Japan, and China, manage their domestic reforms, and intellectual and psychological adjustments. Thus, the volume rightly draws attention to the import of "discipline and focus", culture and philosophy, and "people-power".

PETER POLOMKA
Department of International Relations
Research School of Pacific Studies
Australian National University

The Katipunan and the Revolution: Memoirs of a General, with the original Tagalog text and translated into English by Paula Carolina Malay. **By Santiago V. Alvarez.** Quezon City: Ateneo de Manila University Press, 1992. 476 pp.

This book narrates a chapter in the struggle of an Asian people to overthrow a European conqueror that ruled them for more than three hundred years. It registers the negations and affirmations of the revolution that transformed events and personalities into a subject worthy of remembering.

At the background of this struggle is the attempt by Spain earlier to conquer the Filipinos. Magellan, the leader of the expedition in 1521, failed in this and paid for it with his life at the hands of native chief Lapulapu in the battle of Mactan. Subsequent expeditionary conquests succeeded, however, during the last years of that century, and the Spaniards thereupon dominated strategic areas of the archipelago through the tactic of divide-and-rule. This enabled them to establish a foothold in Asia for the spread of the Catholic faith and the galleon trade in spices, and Oriental and Latin American goods. The conquerors enjoyed the fruits of domination at the expense of the freedom and honour of the conquered.

The human and social costs of oppression were tremendous. Filipinos paid for these with their lives and liberties, the destruction of their indigenous cultures and traditions, their forcible conversion to Christianity, the subjection of men to military conscription and of women to Spanish lasciviousness. Spain exploited its subjects through land rent, unjust taxation, and corvée labour. They were regarded as a lower species of human being, brutalized by friars and officials to make them unthinking vassals of the Crown and Papacy.

The people resented this, but held their anger in brief interregnums of peace. However, when opportune moments came they rose in arms against the colonizers. Early liberation efforts failed because the natives lacked unity. The obstacles to unity included formidable archipelagic, linguistic and cultural divisions. Some tribes got co-opted by colonial rule. The militants refused to surrender; they held the flag of defiance in secret conclaves and, when the time became propitious, raised it aloft once more in the battlefield. As a result, the ruling class never experienced genuine peace throughout its reign. More than a hundred revolts led by local leaders flared up now and then. These efforts gradually formed a great revolutionary stream that, embedded in their memories and institutions, flowed through time.

In the nineteenth century, internal and external factors became ripe for a great historic change. Filipinos woke up as a community through the efforts of propagandists led by M.H. del Pilar, Jose Rizal, Graciano Lopez Jaena, Antonio Luna, and others, and were galvanized into action by a working man, Andres Bonifacio. The latter organized in 1892 a secret revolutionary party, the Katipunan, to overthrow the colonial regime. The "Sons of the People", as members called themselves, worked hard to recruit members and spread the word of freedom.

The party eventually grew into a massive revolutionary force. Bonifacio's discursive formation, essentially counter-hegemonic and liberative, moved people to seize state power. From Manila and its environs, his movement spread to the provinces. Its pent-up energies finally exploded in August 1896, engulfed eight strategic provinces, and eventually grew into national proportions. The revolution was on.

In the years that followed, the rebels declared national independence, overthrew the Spanish masters, and in 1899 established the Philippine Republic. In no time at all, however, this first Republic in Asia was attacked by U.S. military forces. The Americans had joined the fray in the Philippine theatre on account of the Spanish–American War. Manifest destiny goaded them to expand commerce and conquer new lands for commodity and capital exports. The ensuing military encounters between the Republic and the new enemy resulted in a war that lasted way beyond the first decade of the twentieth century. This war cost the Americans some 8,000 casualties and US$600,000,000. And the Filipinos? More than 250,000 were killed and an incalculable amount of property destroyed.

Santiago Alvarez was keenly aware of the deep roots of these struggles. Needless to say, he learned from them and wanted to share his knowledge with others.

So he published his memoirs in serial form for *Sampaguita* magazine (1927–28). Like the philosopher, he wanted the youth to remember the past so that they would not be condemned to re-live it. As a young man full of idealism three decades earlier, he had risen fast in the Katipunan ranks and participated in armed struggle. Now at his mature age General Alvarez, his idealism alive and strong, responded to the challenge of altered conditions where the younger generation knew little about the Katipunan revolution. He wanted to share with them its history and his own experience. While death was decimating the ranks of former revolutionary leaders, he believed that their ordeals in the upheavals should be told again so that time would not erode revolutionary traditions and institutions. Kept alive, these would make it difficult for the Americans to make people forget their glorious ideals through such social engineering projects like "free trade", public education, English, and pulp culture.

A man of conviction and great understanding, Alvarez presented a realistic account of what he knew quite well about people's positive and negative characteristics, as well as the sentiments and forces that drove them to join the movement for radical social change. Thus, he dealt with events "in the interest of honourable truth" so that readers would learn, as he himself had learned, from the lessons of history.

Alvarez defined his narrative parameters in terms of events and personalities with an indigenized liberal paradigm. His loyalty to Bonifacio (a victim of the movement's bitter factional strife) did not make Alvarez idealize him but portrayed him as he really was. He focused on the centre of rebel action; yet he also wrote about other men and women involved in the grand spectacle: the reactionaries and the rebels, the rich and the poor, the leaders and their followers, the true believers and the traitors, the friars and the millenarians.

He explained, understandably enough, that mindless categories in a mass movement of such a magnitude falsify reality because popular uprisings blur personal, sectoral and class boundaries as conditions change at a breathtaking pace. Amid such sweeping conjunctural crisis, one realizes that if nobody can rule guiltlessly, then nobody rebels innocently. This explains the revolution's minor mistakes and major glories, the glory spectacles and the joyful moments, the tragic and the comic incidents, the horrors of defeat and the thrills of victory.

The movement's central concern was the rebels' determination to construct a new order of things as an alternative to the oppressive colonial reality. They hated oppression and refused to be exploited any longer. They engaged in massive action to free the Motherland, and these became significant social events that forged the foundations of a new nation. Its crowning glory was the Republic. "They were actually the poorly armed yet determined men and women in united action from various ethnic groups: intellectuals and artists, workers and fishermen, merchants and peasants, professionals and artisans. They formed a congregation of warm bodies, principles and languages whose collective power mobilized looms as large as those faiths that move mountains."

The classic conflict between good and evil in the colonial order tested in due course the limits of life unto their glories and of strength unto their deaths. People created new grammars of expression and identity while blazing their path towards empowerment and salvation. Patriots strengthened the framework of nationhood in the smithy of the age until the Yankees came to tear this apart.

Through the years, they eroded many material and institutional bases of nationhood through hegemonic engineering, but failed to wipe out its ideals. Many Filipinos kept these alive in their hearts, or else in the legal struggle that politicians and intellectuals waged in the ensuing years for "immediate, complete and absolute independence". Alvarez was one of those who kept the torch of freedom afire and the passion burning. His language had the tone of the prevailing oral tradition. The human voice then, unlike perhaps in other times, proved more enchanting to warriors.

Their objective to obtain freedom inspired them to engender the nation as the Motherland. In her captive state, her calls for national salvation proved irresistible. People regarded her, as they marched forth to the terrains of armed confrontation, as the rallying point in their manifestos, songs and poetry. She proved warm and real as she was true and beautiful. Her plaintive voice, haunting restless patriots, drove the Americans to fits of apprehension. Continuing threats to law and order pushed the new regime to stifle her voice, uproot traditions of the revolution and her apotheosis through brutal means. How else could they make the Americanization process succeed?

The answer to that problem, the surviving leaders saw, was through an imperial stratagem. Hoping that some would remember the revolution and perhaps act accordingly, they aired anew remembrances of their revolutionary experiences. Personal and political proclamations, new reassertions and memoirs were written by icons like Apolinario Mabini, the theoretician of the revolution; Pio Valenzuela, one-time second-in-command to Bonifacio; Artemio Ricarte, the recalcitrant anti-American up to his death in the 1940s; Emilio Aguinaldo, the President of the First Republic; and Jose Alejandrino, the general who fought in the Philippine–American War.

Their reaffirmations yielded a good harvest of memoirs. Alvarez's work became part of this grand narrative of human liberation. It shines forth among them with a distinct luminance all its own because of his sense of drama, his compassion and integrity. His memoirs resonate with the truth of the saying that the style is the man himself.

This apparently shows in his quest for the inner, overall relationships of facts inherent in the constellation of popular experiences. His candid narrative shows that he has well-rounded knowledge, the guts and the integrity to shape events by portraying people as they really are in conditions of historic flux. This is an essential quality that historians have to learn and realize at each new age.

Now that the country is celebrating the centennial of the Revolution, the renewal of this quality becomes urgent for a very good reason. Destructive trends are becoming dangerously popular as new geopolitics redefine existing paradigms. The first trend is some historians' blind idealization of their favourite hero and events; the second is their trivialization which reduces history to nothing better than showbiz columns. The latter commits itself to a "perpetual present" and not to a continuing engagement with problems of fundamental interests, power and representation. Deprived of social meaning, facts become trivia that emasculates the mind.

This is avoided by the Alvarez memoirs. His virtue as a narrator harks back, in fact, to the time when knowledge and integrity are the historian's main weapons in interpreting events and people according to their own right in his own light. This method enabled him to analyse perceptively variations in rebel character and experience in their universe and to dramatize their actions as makers of history without fear or favour. For actors of history are not mere dots or signs in space, nor names in books and memorabilia, nor just floating signifiers. They are human beings who lived their lives dangerously in the actual world of blood and fire according to their decisions to act or not within prevailing conditions.

Thanks to the painstaking effort of the translator, Alvarez's authentication of personalities and events during the revolution has now reached us. Through the translator's efforts, we know how one man at least felt when these were happening. What emerges are two versions that complement each other separately and jointly. The author's capability shines through the translator's work and vice versa.

VIVENCIO R. JOSE
College of Arts and Letters
University of the Philippines

ASEAN in the WTO

Challenges and Responses

Edited by Chia Siow Yue and Joseph L.H. Tan

The emerging agenda and programmes of the World Trade Organization (WTO) will be of great significance not only for the future of the world economy and geo-strategic environment, but also for the Association of Southeast Asian Nations (ASEAN).

- What pro-active role can ASEAN play in the WTO?
- How should ASEAN contribute and position its collective interests and views on substantive issues such as services, the social clause, intellectual property rights, dispute settlement, and capital flows?
- What should be the specific recommendations towards the WTO agenda and programming in the immediate future and the longer term?
- These and other issues are the focus of this volume.

1996 224 pages ISBN 981 3055 26 X
ISSN 0219 1920 S$39.90/US$29.90

JUST PUBLISHED

Collision Course

America and East Asia in the Past and Future

by Bryce Harland

America appears to be drifting towards another collision with Asian countries. This book sets the situation in perspective by tracing the development of relations between them during the last two centuries. No longer needing allies as it did during the Cold War, the United States is now using its economic power to force them to open their markets to its exports and to move towards Western democracy.

But collision is not inevitable. America has played a critical part in the transformation of East Asia. It still has much to teach, and it now has much to learn as well. By studying Asian experience, Americans can re-learn the importance of self-discipline, and face Asian competition without relying on their power and resorting to protectionism. APEC shows the way for the United States and other Western countries to benefit from the fast growth of Asian economies, and make the whole of the Pacific area more prosperous.

1996 220 pages ISBN 981 3055 30 8
Soft cover S$39.90/US$29.90

Enquiries: **Publications Unit**
INSTITUTE OF SOUTHEAST ASIAN STUDIES
Heng Mui Keng Terrace, Pasir Panjang, Singapore 119596
Tel: (65) 8702447 Fax: (65) 7756259 E-mail: pubsunit@merlion.iseas.ac.sg
WWW: http://merlion.iseas.ac.sg/pub.html

Contemporary Southeast Asia, Volume 18, Number 3, December 1996

Re-engineering ASEAN

M.C. ABAD, JR.

This article discusses ASEAN's recent decisions and activities which prove that the Association remains valuable to its member-states. Borrowing the concept of change management, the article analyses how far ASEAN has "re-engineered" itself in terms of policy outlook and organizational changes. ASEAN's renewal of its outward-looking perspective manifested through its active participation in the ASEAN Regional Forum (ARF) and the Asia-Pacific Economic Cooperation (APEC) forum, as well as its initiative to convene an Asia-Europe Meeting (ASEM), serves to regain or sustain its momentum and dynamism. Based on ASEAN's recent performance, the article suggests that ASEAN has embarked on a calculated re-engineering needed to maintain its relevance and secure its gains in the political, security and economic spheres.

Introduction

Southeast Asia today enjoys a state of relative stability and sustained economic growth. This positive state of affairs has been the result of deliberate individual and collective efforts of regional states to construct an environment that would reduce conflict and enhance co-operation. Regional stability has allowed most individual states to pursue long-term socio-economic development strategies which have been largely successful. The Association of Southeast Asian Nations (ASEAN)[1] is at the forefront of these developments. At the same time, ASEAN realizes that the task of sustaining peace and development depends not just on the states of Southeast Asia but also on other states, particularly those that are strategically engaged in the region. Regional states such as China and Japan have a particularly important and legitimate role to play in establishing order in this part of the world. Towards that end, ASEAN has increasingly demonstrated an outward-looking perspective which is expressed through its policies and ASEAN-plus co-operative mechanisms and activities.

Increased confidence and capability has resulted from ASEAN's almost three decades of co-operation which was characterized by cautiousness during the first half and measured activeness thereafter. This period witnessed the transition from individual member-states building good neighbourly relations with each other into a single geographic unit defining its place in the wider region and in the world. The re-engineering of ASEAN is aimed at positioning itself in regional and global affairs to ensure that its strategic interests are protected and promoted. ASEAN, therefore, faces a challenge of remaining intact while promoting both the common and diverse interests of its members in the wider community of states. Prime Minister Goh Chok Tong of Singapore has maintained that "so long as ASEAN is cohesive, we cannot be ignored by the major powers. ASEAN must be a factor in their Asia-Pacific calculation".[2]

ASEAN has increasingly assumed the role of an important player in the Asia-Pacific region both in the political and economic fields. At the same time, ASEAN does not show any grand ascendant design except to protect and promote the interests of its member-states in partnership with its neighbours and other concerned states. ASEAN's achievements, transparency and flexibility underpin its credibility and acceptability to assume such a role. Endorsing ASEAN's increased role in the region, former Deputy Prime Minister and Minister for Foreign Affairs of Japan, Yohei Kono, stated that Japan hopes ASEAN "will play a positive role as an important actor, not only in the Asia-Pacific region but also in the international community as a whole, concentrating dynamism of the entire Southeast Asia region to bring about a synergy effect within and outside the region".[3]

The 1992 Fourth ASEAN Summit's decision to "move towards a higher plane of political and economic co-operation to secure regional peace and prosperity"[4] accelerated the pace towards more activist ASEAN policies in regional affairs. The leadership of ASEAN fully realizes that economic progress can only take place in a peaceful environment. It is on this basis that ASEAN has undertaken to institutionalize an inclusive and consultative process to promote political and security co-operation in the Asia-Pacific. ASEAN has also moved to improve its competitiveness in an increasingly interdependent world. While engaged in intraregional economic co-operation programmes, ASEAN is actively involved in the task of promoting open economic regionalism in the wider Asia-Pacific.

Global and regional changes have served as imperatives for ASEAN to undertake a continuing review of its outlook and ways of realizing its objectives. Management gurus refer to this process as "re-engineering".[5] Borrowing this concept of change management, this article looks at how far ASEAN has re-engineered itself in terms of policy redirection and organizational change. Based on some recent decisions on political and economic co-operation as well as institutional issues, the article suggests that ASEAN has embarked on a calculated re-engineering needed to maintain its relevance and secure its gains in these fields.

Political Developments

The prevailing positive regional outlook has been reinforced by the end of the Cold War between the superpowers which used the region as a theatre of conflict through proxy wars both internally and among certain states. This new era creates a fresh opportunity for regional states and major powers in the region to reassess their stakes and positions on major issues. ASEAN has seized the moment and has taken up the challenge by placing on its agenda strategic and security issues which did not have prominence in the past. In June 1992, ASEAN started to convene the Special Meeting of ASEAN Senior Officials (Special SOM) — a joint forum of representatives of the foreign ministry and defence establishments of the ASEAN countries. The Special SOM is an enlargement of the ASEAN Senior Officials Meeting (ASEAN SOM), composed mainly of foreign ministry officials, which continue to meet on a more frequent basis to advise the ASEAN Ministerial Meeting (AMM) on political and external relations issues. The mandate for the Special SOM was established by no less than the ASEAN Heads of Government in January 1992, who decided that ASEAN could use established fora to promote intra-ASEAN dialogue on ASEAN security co-operation. This decision was a significant departure from the Manila Declaration of 1987 which reiterated the earlier policy contained in the ASEAN Concord of 1976 emphasizing that each member-state would be responsible for its own security and any form of co-operation would be undertaken on a "non-ASEAN basis among the member-states in accordance with their mutual needs and interests". Reaffirming ASEAN's rethinking of this process, Prime Minister Chuan Leekpai of Thailand stated that "it is incumbent upon ASEAN to remain collectively engaged in securing a favourable and peaceful regional environment".[6]

Proposals to establish a wider regional forum on security co-operation began earlier in 1990 and were put forward by some ASEAN Dialogue Partners participating at the annual ASEAN Post-Ministerial Conference (PMC). For instance, Australia suggested that ASEAN and its Dialogue Partners put together a Conference on Security and Co-operation in Asia (CSCA), initially on a subregional then on a wider regional basis. Canada proposed to transform the PMC into a body of twelve to take up political and security issues. Taking into account such emerging interest, ASEAN decided in 1991 to offer the PMC process as the "appropriate bases for addressing regional peace and security issues in the 1990s".[7] Australia introduced the element of informality by proposing the concept of the PMC Retreat. Japan advanced the ASEAN position and suggested that the PMC be supported by a regular Senior Officials Meeting.

At that time when some of the earlier proposals were being broached, the United States was intent on maintaining the *status quo* through "a loose network of bilateral alliances". It argued that such an arrangement was more appropriate to the vast geographical expanse, political and cultural diversity and the geopolitical realities of the Asia-Pacific region.[8] However, under the Clinton Administration, the U.S. attitude towards these proposals became more receptive. Secretary of State Warren Christopher announced that the United States would work with others in the region in building consensus on possible confidence-building measures and establish a sound foundation for regional security co-operation.[9] Still, core alliances remain the bases of U.S. security strategy in the region. Joseph Nye has said that "multilateral activities complement our bilateral ties, but they do not diminish, nor can they replace, important bilateral relationships".[10] For a different set of reasons, however, some regional states were cautious. Under certain circumstances, collective diplomacy could be used to provide legitimacy to the policies of the major powers. Some were suspicious that a multilateral process could be dominated by a few powerful states, acting in their own self-interest, and that the concept of transparency and openness could become an instrument of interference in internal or purely subregional issues.

It was the Fourth ASEAN Summit in 1992 which gave formal approval to the increased role of ASEAN to engage in external dialogue on political and security co-operation. With an increasing number of countries in the region in favour of establishing an institutional framework for security co-operation, ASEAN moved to ensure that it would be in a position to influence its nature and direction. One year later, ASEAN initiated the establishment of the ASEAN Regional Forum (ARF) — an informal consultative body which meets annually at the ministerial level. The ARF is presently composed of twenty-one members: Australia, Brunei Darussalam, Cambodia, Canada, China, the European Union, India, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, Papua New Guinea, Philippines, Republic of Korea, Russian Federation, Singapore, Thailand, Vietnam and the United States. Between ARF meetings, officials and technical experts meet under three groupings: confidence-building, peacekeeping operations, and search and rescue co-operation. The establishment of the ARF was considered "a major breakthrough" in ASEAN's efforts towards co-operative security, considering the resistance preceding its establishment.[11]

ARF participants believe that the Forum would enable the countries of the Asia-Pacific region to foster the habit of constructive dialogue and consultations on political and security issues of common interest and concern. The ARF aims to contribute to efforts towards confidence-building and preventive diplomacy in the Asia-Pacific region. Consistent with the notion that peace is indivisible, the ARF explicitly recognizes that "developments in one part of the region could have an impact on the security of the region as a whole".[12]

The ARF is faced with the challenge of ensuring that its long-term goals do not become a diversion from the need to resolve inter-state conflicts and address other non-traditional security issues in the region. A more basic question is whether it is realistic for the ARF to aim at evolving its role from CBM (confidence building measures) processes into a collective mechanism for conflict resolution. This question becomes even more complex when the timing of the establishment of the ARF is taken into consideration. The security order in the Asia-Pacific is presently in transition, or as Richard Baker of the East-West Center describes, "in suspension between a Cold War framework that no longer applies and new approaches that are just being developed and cannot yet cope with major challenges".[13]

There are those who see a potential regional balance of power in the Pacific rim among China, Japan and ASEAN as a result of long-term changes in strategic and economic trends. Such symmetry could be maintained in part by the United States in return for greater participation in the Asian economies.[14] This would be an ambitious approach which ASEAN might not be prepared to contemplate at this time. It could come as a function of future objective conditions. What is certain is that ASEAN's political weight will continue to increase as it expands its membership and sustains its economic growth. Some hope that, with the combination of the Vietnamese armed forces, ASEAN's military strength as a whole would be substantially increased and ASEAN itself would be able to fill the security vacuum in the region or, at least, be capable of maintaining the status quo.[15]

Thus, ASEAN's increased assumption of a major role in the region has been associated with a process of consolidation. The integration of Vietnam into ASEAN was seen as a major challenge to the region's efforts to promote lasting peace and prosperity.[16] Vietnam's entry into ASEAN in 1995 added strategic value to the organization. The additional 72 million population of Vietnam increased ASEAN's combined population to 422 million. But Vietnam's membership is not only important in terms of numbers but also substance. ASEAN demonstrated its maturity in accepting a member which professed a different ideology. In fact, Vietnam used to be perceived as a threat to regional security. This event "draws a line under a whole period in the history of Southeast Asia" as observed by former Russian Foreign Minister Andrei Kozyrev.[17]

The accession of all other states in Southeast Asia (namely, Cambodia, Laos and Myanmar) to ASEAN's Treaty of Amity and Cooperation in Southeast Asia has paved the way for the process that would lead to their eventual membership of ASEAN much sooner than many observers had expected. The first-ever meeting of all Heads of Governments of the ten Southeast Asian countries in December 1995 represented their resolve to accelerate the process of regional consolidation. This process is expected to facilitate the membership of all Southeast Asian states into ASEAN as the culmination of a vision enshrined in the Bangkok Declaration of 1967.

The enlargement of ASEAN could pose important challenges to ASEAN's development strategies and organizational and decision-making processes as members' interests become more diverse as a result of their different levels of development, among others. Notwithstanding its critical function in maintaining solidarity, ASEAN's decision-making process, based on consensus, is increasingly being seen by some as a constraint. At the same time, ASEAN is confronted with a potential contradiction between broadening its support base through membership enlargement on the one hand and transgressing its constituency if it resorts, for instance, to a majority rule decision-making process, on the other. ASEAN is unlikely to change its preference for consensus-building in policy-making, which is the source of ASEAN's political viability and high level of confidence among its members.

But while the political purposes of ASEAN will continue to take precedence, economic developments will increasingly assume greater importance for ASEAN.

Economic Developments

The ASEAN member-states sustained an averaged gross domestic product (GDP) of more than 6 per cent during the last two decades. This is expected to increase to more than 7 per cent in the medium term.[18] This economic achievement makes ASEAN one of the highest performing and fastest growing regions in the world. It has been projected that the highest growth region will shift from the newly industrializing economies (NIEs) to the ASEAN countries within the present decade.[19]

ASEAN is also well placed in the East Asian region which has experienced impressive growth and potential in terms of trade and as a source of investment capital. East Asia's intraregional trade constitutes about 43 per cent of the region's total. In terms of investment and financial flows, from 1986 to 1992, almost 70 per cent of all investments in East Asia came from within the region, while Europe and the United States contributed about 10 per cent each. East Asian central banks now hold close to 45 per cent of the world's foreign reserves. What is more interesting about this development is that it took place in a much shorter span of time compared with other regions and without formal region-wide trade arrangements.

The East Asian phenomenon is just one aspect of developments in the broader Asia-Pacific region. The eighteen-member economies of the Asia-Pacific Economic Co-operation (APEC) have a combined gross national product (GNP) of over US$13 trillion, about half the world's total annual output.[20] Today, both the United States and the European Union have a bigger two-way trade with Asia than with each other. Thus, APEC provides a stage for the ASEAN member-states to engage their major economic partners in a multilateral framework. Because of APEC's economic significance, there have been concerns about whether it could pose a threat to dilute ASEAN.[21] Indeed, following APEC's decision to hold an annual meeting at the Heads of Government level, which began in 1993, the question was raised whether ASEAN members now give APEC more importance than ASEAN. Such questions, however, overlook the fact that ASEAN's framework of co-operation goes beyond economic matters.

Within the region, there are differences of opinion on the direction which APEC should take. It has been argued that the presence of some of the world's biggest economies in APEC would have an impact on the substance and pace of its activities, which may or may not benefit developing economies. *Asiaweek* magazine had asked the question: "Is APEC an Australian-American plot to pry open Asian economies or an honest attempt to liberalize Pacific trade?"[22] The extent of the differences of perception could determine ASEAN's future relations with APEC. APEC has the potential either to make ASEAN more cohesive or break ASEAN's collective will. In other words, APEC could serve as a testing ground of not only ASEAN's external economic co-operation but also ASEAN's unity in general. The challenge for the ASEAN states is to be able to continue to co-ordinate their positions and act collectively while taking into account the differences in their economic structures and needs. As the economic stakes are high, this should compel ASEAN to play an active role in APEC. Towards that end, one foreign scholar observed that, "It seems obvious that APEC makes ASEAN co-operation all the more critical for member countries and will reinforce, not hinder, its development".[23]

Europe is renewing its interest in the Asian region with the adoption by the European Council of a new Asia strategy in December 1994. The new strategy calls on the European Union to accord Asia a higher priority than at present. With increased engagement, Europe hopes to benefit from the economic opportunities and to respond to economic challenges in the region. The new strategy considered its long-standing relations with ASEAN as a "cornerstone" of its engagement with the region.[24] A former President of the Council of the European Union stated that "The strong and developing relationship between the EU and ASEAN is the central plank of our efforts in this context: the latter's increasing dynamism will be the touchstone of the EU engagement in the Asia-Pacific region".[25] At the initiative of ASEAN, the first Asia-Europe Meeting (ASEM), at the level of Heads of Government, was held in March 1996 in Bangkok. At this initial meeting, the Asian side was composed of the ASEAN states and the major East Asian states, namely, China, Japan and the Republic of Korea, while Europe was limited to the current members of the European Union. Parallel with APEC, the Asia-Europe Meeting could serve as another stage for ASEAN to assume a more active role in international affairs. For instance, the first ASEM agreed to the initiation of a dialogue process between representatives of participating nations of ASEM in New York, coinciding with the United Nations General Assembly, to consider the vital question of U.N. reform.[26]

Deciding the composition of the Asian side in ASEM represented a subject of high politics among nations in the region. The composition could define the frontier of East Asia which is assuming a position of strategic economic parity with North America and Western Europe in a fully tripolar world.[27] The initial Asian participants to the ASEM inaugural meeting highlighted the viability of an East Asia Economic Caucus (EAEC). ASEAN supports an EAEC to establish a wider and more potent forum that could enable it "to have a fair say in world trade affairs".[28] Ironically, the process of institutionalizing a caucus, which is aimed at pursuing certain strategic interests, would unavoidably exclude others, thus contradicting ASEAN's very act of reaching out. The latter, however, was never meant to be an end in itself in this instance. Nevertheless, the proposed EAEC continues to face opposition from countries who fear that it could intensify and formalize an East–West divide.

ASEAN's own most important economic co-operation scheme, the ASEAN Free Trade Area (AFTA), is expected to further enhance the competitiveness of the region.[29] AFTA represents a quantum leap in the history of ASEAN economic co-operation. The agreement on AFTA has been described as an "aberration" from the slow and reluctant progress of ASEAN economic co-operation over the past twenty-five years.[30] The adoption of unilateral liberalization policies which gained significantly from international competition and trade, outward-oriented growth strategies based on attracting foreign direct investment and the emerging economic blocs in other regions, were considered as the forces which eventually led towards AFTA. More importantly, AFTA came at the right time when ASEAN had already built a foundation for regional solidarity where each member-state found a stake in the success of collective processes.[31]

The political cost of economic and trade liberalization associated with the short-run displacement of labour and capital had restrained many ASEAN leaders in the past from entering into drastic economic co-operation programmes. Without political will, many of the earlier economic co-operation programmes performed less than ideal. For example, the exclusion list of so-called "sensitive" items from the Preferential Trading Arrangements (PTA), which began in 1977, made the PTA almost meaningless. Ten years after its launching, only 5 per cent of 12,000 offered items were actively traded by member countries. Accordingly, most tariff cuts fell on products which were neither in demand nor produced in the ASEAN economies.[32] In contrast, the trade value covered by products in the AFTA Inclusion List was 85 per cent of intraregional trade in 1993. With the inclusion of agricultural products and the phased transfer of products from the Temporary Exclusion List, this coverage is expected to reach 95 per cent by the year 2000. As a result of the implementation of AFTA, intraregional two-way trade expanded from US$79 billion in 1993 to US$111 billion one year later, or an increase of 41 per cent. Intraregional trade of products covered by the CEPT (Common Effective Preferential Tariff) scheme grew even faster at 44 per cent during the same period. This development boosted intraregional trade in 1994 to more than 20 per cent of total ASEAN trade of US$505 billion — higher in share compared with other major trading partners of ASEAN such as Japan (19 per cent), the United States (17 per cent) and the European Union (15 per cent). Successful regional economic liberalization through AFTA and other schemes are expected to increase ASEAN credibility and contribute to its ability to have a greater say in the international trading system.

The launching of AFTA also saw drastic changes in the economic mechanisms of ASEAN. The Association decided to streamline its economic co-operation bodies by abolishing all previously existing ASEAN economic committees in various sectors and replaced them with the ASEAN Senior Economic Officials Meeting (SEOM) composed mainly of international trade officials.[33] It was supposedly an expression of ASEAN's desire to give priority to the objectives of AFTA. Promoting trade and investment, however, requires both liberalization and facilitation efforts. To undertake certain specific tasks, therefore, ASEAN convenes ad hoc bodies which are dissolved once their tasks are completed.

The ASEAN Secretariat has also been mobilized through the establishment of an AFTA Unit to provide technical support for the implementation of AFTA. This came in the midst of an unprecedented restructuring and strengthening of the ASEAN Secretariat by doubling the number of its technical staff. Departing from the previous practice of receiving government representatives from the various member-countries, the ASEAN Secretariat now recruits its officers through region-wide open competition. The Secretary-General of the ASEAN Secretariat has also been redesignated as the Secretary-General of ASEAN with ministerial rank. Nevertheless, it is too early to say whether the increased capability of the ASEAN Secretariat would lead to its qualitative transformation and greater role in ASEAN or is merely a recognition of the need for a bigger and better staff complement to undertake basically the same but increasing work-load. Serving as an essentially inter-governmental organization which does not aim at eventually establishing a union with a central organ empowered with supranational authority, it remains to be seen how far the actual role of the Secretary-General of ASEAN and the ASEAN Secretariat could evolve. These developments form part of an ongoing process of rethinking, both in the public and private sectors, but especially among independent think-tanks in ASEAN, to ensure that ASEAN remains relevant and capable of confronting present and future challenges.

Challenges

One of the major challenges facing Southeast Asia is dispute management over certain territorial claims and overlapping exclusive economic zones. Direct bilateral negotiations are encouraged and preferred over other modes of settlement. In some cases, although claims are not completely withdrawn for domestic political reasons, some countries have decided not to actively pursue such claims. While contributing to a benign situation, this approach, on the other hand, fails in concluding a just settlement for lasting peace. Some observers have criticized that "sweeping internal problems under the carpet" could eventually threaten ASEAN's solidarity.[34] These territorial issues include the dispute between Indonesia and Malaysia over the islands of Ligitan and Sipadan; between Malaysia and Singapore over the island of Batu Puteh; between Indonesia and the Philippines over the island of Mianggas; and the most serious of all, between the Philippines and Malaysia over Sabah.

The South China Sea issue is an even more complicated matter for dispute settlement. The overlapping claims of six countries (China, Brunei Darussalam, Malaysia, Philippines, Vietnam and Taiwan) involve an irregularly shaped area of about 1.3 million square miles consisting of open seas and scattered land features.[35] ASEAN is constrained by the fact that not all claimant states are ASEAN members. This is the same reason being used by China in refusing to accede to ASEAN's Treaty of Amity and Co-operation in Southeast Asia which establishes a mechanism for peaceful settlement of disputes. To overcome this situation, ASEAN recently endorsed the idea of concluding a regional code of conduct in the South China Sea to incorporate certain principles which are supposed to govern the behaviour of all claimant states in the disputed area.[36] But again, China's present policy preference of addressing the issue through bilateral means would make it difficult for a regional instrument to evolve. Nevertheless, all claimants are represented in a "track-two" diplomacy exercise through the informal workshop series on "Managing Potential Conflicts in the South China Sea" which started in 1990. It is hoped that this initiative could contribute to the creation of a favourable environment for multilateral co-operation and, eventually, dispute settlement. The regular exchange of views on the situation in the South China Sea at the ASEAN

Regional Forum is also aimed at building confidence among claimants and other concerned states on each others' peaceful intentions.

Another crucial factor which the region continues to face is the challenge of an orderly political leadership succession at the national level. Any achievement in the social and economic fronts could easily deteriorate to situations where political institutions prove unable to manage smooth transitions, which could lead to political crisis. From the beginning, ASEAN has always recognized that the pursuit of ASEAN resilience greatly depends on the national resilience or stability of each member-state.[37] Most ASEAN governments are concurrently confronted by their responsibilities associated with the state formation process on one hand, and the demand for a more open and pluralist system brought about by the forces of modernizing societies, on the other. As an inter-governmental organization which professes non-interference in the internal affairs of one another, ASEAN would not be able to do much about this issue except, of course, when there are imminent regional implications.

The region is also faced with the challenge of ensuring sustained economic growth. The Achilles' heel of emerging markets is international trade. Some admonitions have been made that the pace of economic globalization will slow down as countries consolidate their gains from recent trade liberalization regimes both at the regional and international levels.[38] Protectionist pressure against the emerging markets could continue as developed economies try to deal with their trade deficit. The share of intra-ASEAN trade in ASEAN's total trade is only 20 per cent and this level is not expected to increase significantly. This makes ASEAN vulnerable to any drastic fluctuation in world trade and investment capital.

Moreover, some economists have observed that East Asian economic growth is showing diminishing returns. While it is likely that growth in East Asia will continue to outpace growth in the West and other developed economies for the next decade and even beyond, it might not do so at the pace of recent years. In a recent essay, Paul Krugman attributed this limited growth to an extraordinary mobilization of resources like labour and capital but not through high rates of growth in efficiency and technological progress.[39] While this observation has been dismissed by others as an analysis based on less than credible material, newly industrializing economies know that sustainable economic growth must be characterized by a continuing innovation to achieve a rise in output per unit of input.[40] Furthermore, NIEs are not exempt from "a time sequence of development" where employment of physical capital precedes the development of technological capability.[41]

Related to the challenge of sustainable economic growth is the question of resource availability and, in particular, the "looming energy insecurities"[42] among the industrialized and rapidly industrializing economies of East Asia whose energy thirst cannot be satisfied by their resources. ASEAN countries are expected to become net oil importers at the turn of the century.[43] The share of oil in total energy production in ASEAN decreased from 62 per cent in 1985 to 48 per cent in 1993, although natural gas production increased from 31 per cent to 40 per cent during the same period.[44]

By the end of this decade, it is estimated that Asia will become the world's largest petroleum importing region. From 70 per cent today, Asia's dependence on oil from the Middle East will reach 95 per cent of its total oil imports within the next fifteen years.[45] Asia's energy security situation is aggravated by China's increasing demand for energy for its industrialization. In 1993, China became a net importer of oil for the first time in more than a quarter century and the deficit has since soared to about 600,000 barrels a day. It is estimated that this volume will reach over one million barrels a day by the year 2000 and nearly three million barrels by 2010.

Recognizing this critical situation, the ASEAN Heads of Government Summit in December 1995 agreed to intensify co-operation to ensure security and sustainability of energy supplies through diversification, development and conservation of resources. In anticipation of some countries moving into the development of nuclear energy, ASEAN has urged the members concerned which have not acceded to the Convention on Early Notification of Nuclear Accident to do so.[46] ASEAN has also urged them to conclude agreements with the International Atomic Energy Agency (IAEA) for the application of full scope safeguards to peaceful nuclear activities. Unlike other sectors in which ASEAN members co-operate without necessarily being confronted by potential or existing problems, this particular area poses profound questions and strategic issues which require both individual and collective will to surmount them.

Conclusion

ASEAN's relative success so far only implies that it is better prepared for the future. It has little room to relax and must continue to re-engineer itself. The profound challenges outlined above require even more effective collective and individual responses which should be founded on the gains of three decades of ASEAN's existence. The long-term nature of ASEAN's goals, as defined in its founding document, allowed ASEAN to overcome short-term problems and differences. The noble goal of "strengthening the bonds of regional solidarity and co-operation"[47] has provided the political context within which specific co-operative activities would be advanced. The near completion of the consolidation process which followed from the birth stage should now allow ASEAN to look to the future with greater confidence.

ASEAN is now in the process of transition from a multilateral framework for the pursuit of unilateral national interests to an inter-governmental organization promoting regional interests *vis-à-vis* the rest of the world. It is a transition which has resulted from its own achievements as well as a consequence of an increasingly interdependent world. This is not to say that national interests are taking a back seat. It only suggests that respective national interests are increasingly being blended together and better promoted abroad through collective processes. The process of re-engineering ASEAN implies that "Aseanocrats" require broad perspectives on the purposes and strategies of regional co-operation. While its goals remain fundamentally valid, ASEAN finds itself today in a set of new realities different from when it started. It has to cope with these changes and challenges both in terms of policy and programmes and as institutional norms and practices. Singapore Foreign Minister S. Jayakumar has urged ASEAN to learn to move at the pace of the rapidly changing world. He advised ASEAN to prepare psychologically to become a "rapid reaction" organization, one that responds quickly to new challenges.[48] This challenge to ASEAN requires continued efforts to forge even closer relations among its member-states and to develop decision-making structures which are capable of defining strategic policies and future direction.

NOTES

1. Established in 1967, ASEAN has seven member states, namely, Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam and three observers, namely, Cambodia, Laos and Myanmar.
2. Inaugural Address at the 26th ASEAN Ministerial Meeting, Singapore, 23 July 1993.
3. Opening Statement at the ASEAN Post-Ministerial Conference, Bandar Seri Begawan, 2 August 1995.

4. Singapore Declaration, 28 January 1992.
5. See, for example, Michael Hammer and Steven Stanton, *The Reengineering Revolution* (New York: Harper Business, 1995).
6. Inaugural address to the 27th ASEAN Ministerial Meeting, Bangkok, 22 July 1995.
7. Joint Communiqué of the ASEAN Ministerial Meeting, 19–20 July 1991.
8. See statement by U.S. Under-Secretary of State Robert B. Zoellick at the ASEAN Post-Ministerial Conference in Kuala Lumpur, Malaysia, on 22 July 1991.
9. Remarks made at the Second Meeting of the ASEAN Regional Forum on 1 August 1995.
10. See Joseph Nye, Jr., "The Case for Deep Engagement", *Foreign Affairs* 74, no. 4 (July–August 1995): 102.
11. Harry Harding, "Cooperative Security in the Asia-Pacific Region", in *Global Engagement: Cooperation and Security in the 21st Century*, edited by Janne Nolan (Washington, D.C.: Brookings Institution, 1994), pp. 419–44.
12. Chairman's Statement at the First Meeting of the ASEAN Regional Forum, Bangkok, 25 July 1995.
13. Richard W. Baker, "Sweeping Changes Shape a New Pacific Asia", in *Asia-Pacific Issues* (Honolulu: East-West Center, September 1995), pp. 5–6.
14. See, for example, Chalmers Johnson and E.B. Keehn, "The Pentagon's Ossified Strategy", *Foreign Affairs* 47, no. 4 (July/August 1995): 106. This article is a critical review of the U.S. Department of Defense's report entitled "United States Security Strategy for the East Asia-Pacific Region", February 1995.
15. Hoang Anh Tuan, "What are the consequences of a new ASEAN Member?", *ISEAS Trends*, Supplement in the *Business Times* (Singapore), August 1994.
16. *Shared Destiny: Southeast Asia in the 21st Century* (Report of the ASEAN-Vietnam Study Group, February 1993), p. 15.
17. Statement at the ASEAN-Russian Federation Consultative Meeting, Bandar Seri Begawan, 30 July 1995.
18. UN-ESCAP, *Review of the Economic Situation and Outlook in the Region*, January 1995.
19. Sueo Sekiguchi and others, *The International Economy and Japan in 2000* (Tokyo: Japan Center for Economic Research, 1991). See also Sueo Sekiguchi and Makito Noda, eds., "An Overview of East Asia", in *Economic Interactions and Interdependence in East Asia* (Tokyo: Ushiba Memorial Foundation, 1994), pp. 3-35; and Steven Schlosstein, *Asia's New Little Dragons: The Dynamic Emergence of Indonesia, Thailand and Malaysia* (Chicago: Contemporary Books, 1991).
20. APEC is composed of Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Chinese Taipei, Thailand and the United States of America.
21. For an example of this line of thinking, see Michael Leifer, "The Issue is ASEAN", *Far Eastern Economic Review*, 30 November 1995, p. 34. Leifer asks the question whether ASEAN would have already served its historical purpose as its exclusive role begins to be superseded by a more all embracing ASEAN Regional Forum.
22. *Asiaweek*, 16 November 1994, p. 28.
23. Lawrence B. Krause, *Special Report: APEC* (Washington: US-ASEAN Council, October 1994), p. 4.
24. European Union, "Towards a New Asia Strategy" (Communication from the Commission to the Council, December 1994). For a recent critical review of Europe's

past engagement with Asia, see "Has Europe failed in Asia?", *The Economist*, 2 March 1996.

25. Javier Solana, Opening Statement at the ASEAN Post-Ministerial Conference, Bandar Seri Begawan, 2 August 1995.
26. See Chairman's Statement at the Asia-Europe Meeting, Bangkok, 2 March 1996.
27. See Klaus Schwab and Claude Smadja, "Power and Policy: The New Economic World Order", *Harvard Business Review*, November-December 1994, pp. 40–50. Schwab and Smadja note that over the last 35 years, East Asia's share of world economic output increased from 4 per cent to 25 per cent. Australia, New Zealand, Taiwan and Hong Kong were notably unrepresented at the first ASEM.
28. Speech by Dr Mahathir Mohamad, Prime Minister of Malaysia, at the Kyushu-Asian Summit for Local Authorities, Kyushu, Japan, 21 October 1994.
29. The World Competitiveness Report of 1994 reported that three out of six ASEAN countries were already among the world's most competitive economies (namely, Singapore, Malaysia and Thailand).
30. Narongchai Akrasanee and David Stifel, "The Political Economy of the ASEAN Free Trade Area", in *AFTA: The Way Forward*, edited by Pearl Imada and Seiji Naya (Singapore: Institute of Southeast Asian Studies, 1992).
31. See Charles E. Morrison, "There are Smarter Ways to Build an Asia-Pacific Community", *International Herald Tribune*, 13 November 1995. Morrison considers ASEAN as "a good model" for APEC to follow, through a brick-by-brick community and institution-building approach.
32. *ASEAN: The Way Forward* (Report of the Group of Fourteen on ASEAN Economic Co-operation and Integration, ASEAN Chambers of Commerce and Industry, 1987), p. 25.
33. The abolished bodies included the committees on trade and investment, industry and finance, energy and minerals, transportation and communication, food, agriculture, and forestry and tourism.
34. J. Soedjati Djiwandono, "ASEAN solidarity more surface than substance", *Jakarta Post*, 27 July 1994.
35. *South China Sea Reference Book*, Research and Analysis Division, Strategic Planning and Policy Directorate, U.S. Pacific Command, April 1996.
36. Joint Communiqué of the 29th ASEAN Ministerial Meeting, Jakarta, Indonesia, 20-21 July 1996.
37. Declaration of ASEAN Concord, Bali, 24 February 1976.
38. See, for example, Jeffrey E. Garten, "Perhaps the End is Nigh", *Far Eastern Economic Review*, 23 May 1996, p. 38.
39. Paul Krugman, "The Myth of Asia's Miracle", *Foreign Affairs* 73, no. 6 (November/December 1994).
40. See, for example, Wong Poh Kam and Ng Chee Yuen, eds., *Human Resource Development and Utilization in the Asia-Pacific: A Social Absorption Capacity Approach* (Singapore: Institute of Southeast Asian Studies, 1992).
41. M.G. Quibria, "Productivity Will Come With Time", *Far Eastern Economic Review*, 22 August 1996, p. 27.
42. Raul S. Manglapus, "APEC and East Asian Energy Insecurities" (Speech delivered at the Seminar on Deepening Asia-Pacific Cooperation sponsored by the Carlos P. Romulo Foundation for Peace and Development, Makati City, 29 August 1996).
43. Kent E. Calder, "Asia's Empty Tank", *Foreign Affairs* 75, no. 2 (March/April 1996).
44. *ASEAN Energy Review* (Jakarta: ASEAN-EC Energy Management Training and Research Centre, 1995), p. 14.

45. Fereidun Fesharaki, Allen L. Clark and Duangjai Intarapravich, "Energy Outlook to 2010: Asia-Pacific Demand, Supply and Climate Change Implications", *Asia Pacific Issues*, No. 19 (Honolulu: East West Center, April 1995).
46. See the Treaty on the Southeast Asia Nuclear Weapons-Free Zone, 15 December 1995.
47. *ASEAN Declaration*, Bangkok, 8 August 1967.
48. Opening Statement at the 28th ASEAN Ministerial Meeting, Bandar Seri Begawan, 29 July 1995.

M.C. ABAD, JR. is a Senior Officer in the ASEAN Secretariat, Jakarta. The views expressed in this article are his own.

Contemporary Southeast Asia, Volume 18, Number 3, December 1996

The 1995 ASEAN Summit: Scaling a Higher Peak*

SIMON J. HAY

This article looks at the major outcomes of the 1995 ASEAN Summit. Notable for the first ever meeting of all ten Southeast Asian leaders, the catchcry of the Summit was "broadening and deepening" political, economic and social co-operation among existing and prospective members of ASEAN. The formation of ASEAN-Ten was the dream of the Association's founding fathers, as well as a pragmatic response to economic and geostrategic uncertainty. Although the impending inclusion of Cambodia, Laos and Myanmar into ASEAN may have captured the limelight at the Summit, leaders took a number of significant decisions, not only to ensure that ASEAN remained relevant to its members, but also to increase the stature and influence of the grouping in the wider Asia-Pacific region.

Introduction

> Here, 28 years ago, ASEAN founders raised their eyes to the lofty vision of 'A Prosperous and Peaceful Community of Southeast Asian Nations.' Over the next two days, we, their successors, will be reaching a higher peak on the way to the Summit of that vision.
>
> — Fidel Ramos, President of the Philippines,
> Fifth ASEAN Summit, Bangkok, 14 December 1995.

If the rhetoric is any measure, the fifth meeting of the ASEAN Heads of Government in December 1995 was truly a landmark occasion. The chairman, Thai Prime Minister Banharn Silpa-Archa, in his closing address, declared that "the Fifth ASEAN Summit marks another milestone in our regional co-operation".[1] This was a commonly held view among those assembled at the meeting. Even Vietnamese Prime Minister Vo Van Kiet, representing ASEAN's newest member, was "confident that the Fifth ASEAN Summit will mark a new turning point in ASEAN's history".[2] Certainly, the occasion was the first time that Vietnam had attended an ASEAN Summit meeting, but even more importantly, it was also the first time that the leaders of all ten Southeast Asian nations had gathered together. The leaders of the three non-ASEAN Southeast Asian countries, Cambodian joint leaders Norodom Ranariddh and Hun Sen, Laotian Prime Minister Khamtay Siphandone and Prime Minister Than Shwe of Myanmar (Burma) joined their ASEAN counterparts, Brunei's Sultan Hassanal Bolkiah, Indonesia's President Soeharto, Malaysian Prime Minister Mahathir Mohamad, Philippine President Fidel Ramos, Singapore's Prime Minister Goh Chok Tong, as well as the leaders of Thailand and Vietnam. Indeed, one of the enduring images of the Summit was of all ten leaders joining hands for the first time in a public display of unity.[3] Away from the glittering images, it must be asked: what was the significance of the Summit?

"The Fifth ASEAN Summit", according to Indonesian Foreign Minister Ali Alatas, "was part of ASEAN's continuing ascendance towards a higher plain which began at the first Summit in Bali 15 years ago".[4] The first summit meeting was held in 1976, some nine years after ASEAN was founded on 8 August 1967. Until 1992, when it was decided to hold Summit meetings every three years, they had been held on an irregular and infrequent basis.[5] The Association itself was established by the Foreign Ministers of the five founding member-states, and the annual Foreign Ministers' meeting has remained central to the ASEAN process.[6] According to the Association's founding document, the 1967 Bangkok Declaration, ASEAN was formed to "promote regional peace and stability through co-operative efforts to achieve economic growth, social progress, and cultural development". Even more important was the unstated, underlying political purpose in forming the grouping, which was to enhance political co-operation as a means of easing tensions that existed between member-states.[7] This process of developing consultation between countries was the Association's main achievement in its early years.[8] It took the stunning communist victories in Indochina in 1975 to give impetus to the establishment of more concrete forms of intra-ASEAN co-operation and spur a clear demonstration of ASEAN solidarity with the holding of the first Summit in Bali in 1976. At the Summit, ASEAN leaders established a framework for co-operation in the Declaration of ASEAN Concord, and a peaceful code of conduct for interstate relations in the Treaty of Amity and

Co-operation. The second ASEAN Summit was held in Kuala Lumpur in 1977. Apart from reaffirming the decisions of the first summit meeting and celebrating ASEAN's tenth anniversary, the meeting was notable for the decision to establish what was to become the Post-Ministerial Conference (PMC) process of formal dialogue with ASEAN's external partners. The third Summit meeting was not held until ten years later, in Manila in 1987, and was largely known for its display of ASEAN solidarity for the embattled Aquino government.

At the fourth ASEAN Summit held in Singapore in 1992,[9] leaders grappled with uncertainties created by the end of the Cold War, and searched for a new role for the Association within the evolving regional and global economic and security environments. In the words of Singapore Prime Minister Goh Chok Tong, "the challenge will be to keep ASEAN relevant and sought after in a situation where the great powers no longer need to compete for ASEAN's support and the European Community and North America are forming economic blocs".[10] There was considerable anxiety about growing economic regionalism and its adverse implications for global trade liberalization, particularly with the possible collapse of the deadlocked world trade talks. A major outcome of the Summit meeting was the decision to form the ASEAN Free Trade Area (AFTA) which would give a group of smaller countries a greater degree of political and economic strength in a fragmented world trading system. By creating a single market, it was hoped that the ASEAN states could continue to attract foreign direct investment (FDI) against increasing competition from the emerging Eastern European and Latin American economies, as well as fulfilling a long-held desire to deepen intra-ASEAN economic co-operation. The other significant outcome of the 1992 Summit was the decision to extend the ASEAN-PMC dialogue process to cover regional security matters — a move that eventually led to the formation of the ASEAN Regional Forum (ARF) in 1994. This decision was taken against a backdrop of increasing concern about the strategic uncertainty in the region with the end of the Cold War. No longer was ASEAN the focus of Cold War power politics in the region with the disengagement of China, Russia, the United States and Vietnam from Cambodia. The impending withdrawal of U.S. military forces from the Philippines increased anxiety about the American commitment to East Asian security, particularly given the economic turbulence in the U.S.-Japan relationship, long seen as the foundation of security in the Asia-Pacific region. In addition to fears of the re-emergence of Japan, there was also apprehension about the growing power of China.

If the central theme of the 1992 Summit was repositioning ASEAN to take account of the new economic and strategic realities of the post-Cold War era, "broader and deeper" was the rallying cry of the 1995 Summit as leaders called for broader membership and deeper economic co-operation. In his appraisal of economic and political developments since the 1992 Summit, Mr Goh Chok Tong observed that the ASEAN states had done well, particularly in terms of economic growth, but he warned that members should not rest on their laurels and become complacent. He cautioned that "past success ... is no guarantee for the future." Throwing down the gauntlet to ASEAN leaders, he asked if ASEAN would remain competitive and relevant into the new century. "New runners have joined the marathon. Will ASEAN stay ahead or will it be overtaken by others?"[11] In fact, there was a very clear recognition among leaders of the tasks that lay ahead of them. According to Thai Prime Minister Banharn Silpa-Archa, the challenges ahead are threefold: first, "how to direct ASEAN towards one Southeast Asia"; second, "how to widen and deepen ASEAN economic co-operation"; and third, "how to make ASEAN a bigger part of our peoples' lives".[12] This view was widely shared among the leaders, which prompted Mr Goh to remark in his closing address to the Summit that "the one clear personal impression that I will bring home from this meeting is the extraordinary degree to which our visions for the future overlapped".[13]

Towards an ASEAN-Ten

For many, the most significant outcome of the fifth ASEAN Summit was the first ever meeting of all ten Southeast Asian leaders. It was seen by participants and observers alike as the dawning of a new era of peace and co-operation. The region where, "for the last half century or so, a number of brutal wars took place, is now witnessing a completely new state of relations", proclaimed the Vietnamese Prime Minister. "Gone are the dark days for the Southeast Asian region".[14] A prominent regional observer noted immediately after the Summit that it marked the "beginning of a new era for Southeast Asia. For centuries the region has been divided, first by colonial rulers, and later by the Cold War. The end of the Cold War [has] enabled Southeast Asian countries to bury their ideological and political differences, and work together towards a common future".[15] Indeed, it was not long ago that Southeast Asia could be divided into the three distinct blocs: ASEAN; the communist states of Cambodia, Laos and Vietnam; and the isolationist state of Myanmar. A potentially united Southeast Asia under an

ASEAN banner represents a vast change in a region which has been described as the Balkans of Asia.[16]

In the 1995 Bangkok Summit Declaration, the ASEAN leaders asserted that the Association "shall work towards the speedy realisation of an ASEAN comprising all Southeast Asian countries as it enters the 21st century". The five founding members of ASEAN were joined by Brunei when it gained its full independence from Britain in 1984, and by Vietnam in July 1995. Although it was always expected that Vietnam would join ASEAN and had been invited to do so several times in the past, it was not until the end of the Cold War and the Vietnamese withdrawal from Cambodia that Hanoi made a bid for ASEAN membership.[17] During visits to Indonesia, Malaysia, Singapore and Thailand prior to the 1992 Summit, Vietnamese Premier Vo Van Kiet made clear his country's wish to join ASEAN. At the Singapore Summit, ASEAN leaders invited Vietnam and Laos (the latter had also indicated its interest in joining) to accede to the Treaty of Amity and Co-operation. Cambodia had also made clear in 1992 its desire to join ASEAN, but had been told to wait until its elections had been held.[18] In 1995, Cambodia gained observer status and, together with Laos, is expected to gain full ASEAN membership at the Annual Ministerial Meeting (AMM) in Kuala Lumpur in mid-1997. For Laos, a former ally of communist Vietnam, and Cambodia, which had suffered over two decades of "war, internal strife and social upheaval",[19] membership within ASEAN is seen as a way of guaranteeing their standing in the region, normalizing and expanding their relationships with other regional countries, as well as an expression of their desire to share in ASEAN's economic success.[20]

The Bangkok Summit was the first time that Myanmar formally announced its desire to join the Association.[21] There had been doubts whether Myanmar, with its traditional isolationist foreign policy, would actually attend the 1995 Summit. A month before the Summit, Myanmar officials had failed to attend a working group which was drafting the Southeast Asia Nuclear Weapons Free Zone Treaty.[22] Myanmar's desire to join ASEAN marks a convergence of its economic interests with the grouping. Yangon seeks opportunities for economic development while ASEAN countries such as Thailand, Singapore and Malaysia are keen to invest in Myanmar's rich natural resources.[23] The desire for greater political recognition is also seen as a factor behind the State Law and Order Restoration Council's (SLORC) wish to join the Association, despite claims to the contrary by Indonesian Foreign Minister Ali Alatas, who does not "believe Burma is trying to use ASEAN to ward off attacks by the international community".

Certainly, ASEAN has incurred stern criticism of its policy of constructive engagement in relation to the SLORC. Alatas has noted that ASEAN realized "Burma [was] under heavy criticism ... over what are perceived to be human rights violations", but defended ASEAN's policy by saying that it was better "quietly talking them out of their shell and asking them to see the benefits of being open" because "we think it has already had some benefits and concrete results", noting that "it is a very slow process". Myanmar was granted observer status at the July 1996 Jakarta AMM, and applied for full membership in September 1996. There was speculation that Myanmar would gain full membership at the 1997 AMM, and it would certainly have been a diplomatic feather in Malaysia's cap if the remaining Southeast Asian countries had joined ASEAN on the thirtieth anniversary of the Association. However, at their informal meeting in New York in late September 1996, none of the ASEAN foreign ministers agreed that Myanmar would join in 1997. It is an issue that ASEAN leaders are expected to discuss at their first informal summit in Jakarta in December 1996.[25]

The ASEAN founding father's vision of a united, prosperous and peaceful community of Southeast Asian nations under an ASEAN umbrella remains an article of faith for the ASEAN states. As the Thai host of the 1995 Summit remarked, "the vision that inspired ASEAN's founding fathers since the creation of ASEAN over a quarter of a century ago continues to guide us as we strive to make Southeast Asia a region of peace, prosperity and harmony".[26] Underlying this objective has been the notion of "regional resilience" which is derived from the Indonesian concept of national resilience. This advocates a comprehensive approach to national security through economic development. Regional resilience is both an extension of the concept to Southeast Asia as a whole, and the sum total of the national resilience of all the regional states. National economic development and stability, combined with regional co-operation would help overcome internal problems, ease bilateral suspicions, and reduce the prospect of external actors meddling in domestic and regional disputes. It would also encourage economic interest and investment in the region by outsiders, which in turn would enhance regional development and stability.[27] It is not surprising that this idea has powerful appeal when viewed against the background in which ASEAN was formed. The war in Vietnam was nearing its height, Indonesia's policy of "Confrontation" had only just been ended, there was acrimony between Malaysia and Singapore over the latter's exit from the Federation, and a number of countries were battling insurgencies. This explains why the formation of an ASEAN-Ten is, in the words of one prominent regional observer, of "strategic importance for the promotion of peace and welfare of the Southeast Asian region in the future. The main objective is ... to prevent the division of Southeast Asia into two parts, one rich (ASEAN), and one poor (CLM [Cambodia, Laos and Myanmar] countries). Such a division will be the surest source of future instabilities in the region, which could be 'exploited' by outside powers".[28]

This determination to enhance regional resilience explains why ASEAN members are so keen to consolidate all the Southeast Asian states under the ASEAN umbrella and to promote regional economic co-operation and development, particularly in continental Southeast Asia. Thai National Security Council Chief, General Charan Kullavanijaya, has observed that "brothers in the same region should develop together so people of this region enjoy well-being. Differences in development will eventually become dangers".[29] The difference in development between ASEAN and non-ASEAN countries is quite striking. Thailand's GDP per capita of US$2450 is greater than that of Vietnam (US$215), Cambodia (US$252), Laos (US$336) and Myanmar (US$225) combined.[30] Malaysian Deputy Prime Minister Anwar Ibrahim has suggested that ASEAN serve as a conduit for FDI to flow into Indochina for economic development, arguing that the wealthy nations of Southeast Asia have a moral obligation to help those that are less wealthy to prosper and develop. Such assistance would also bring more than just economic benefits to donor states, "there is more prosperity and greater benefits to be derived from neighbours who are equally prosperous. Prosperous neighbours will have a stake in ensuring that peace and stability prevail in the entire neighbourhood".[31]

One of the major initiatives to come out of the 1995 Summit, and one which appears to have been taken by the leaders themselves, as opposed to merely rubber-stamping the recommendations of officials and ministers, was that of the ASEAN-Mekong Development Co-operation. Leaders discussed ways in which ASEAN might participate in the development of the Mekong Basin, asking Malaysia to look into the idea and convene a ministerial meeting to discuss its findings. The decision to become involved in what is known as the Greater Mekong Subregion (GMS) adds a distinctly ASEAN political overlay onto some of the developmental work being undertaken by a number of other agencies. The oldest of these is the Mekong River Commission which was established in 1957, although economic co-operation only began in earnest after the signing of the Paris Peace Agreement in 1991. The Asian Development Bank launched its Greater Mekong Subregion economic co-operation drive in 1992; the MITI-ASEAN Economic Ministers Working Group was established in 1994; and the Forum for the Comprehensive Development of Indochina, funded by the Japanese Government, held its first meeting in October 1995.[32] There is some degree of overlap between the various agencies, and indeed, the mechanisms for co-ordination are in the process of being established.[33]

At this stage, the importance of the ASEAN initiative lies more in its symbolic and political significance. In the words of one ASEAN observer:

> ... developing the Mekong will contribute to the experience and handling of co-operation in Southeast Asia, an important consideration for countries whose record for collaboration leaves much to be desired. By promoting diplomatic and official contacts, the venture provides a platform for participating governments to grow less unfamiliar with each other.[34]

Although aimed at promoting economic growth in Cambodia, Laos and Myanmar, one of the benefits of the grouping will be the increased political contact between ASEAN and the countries in the GMS. The initiative is also a mechanism with which to engage China, giving it an economic stake in the Mekong subregion and fostering a culture of co-operation through joint development and political dialogue.[35] Ministerial-level representatives from Beijing, rather than just from the province of Yunnan, attended the first meeting of the ASEAN-Mekong Development Co-operation group in Kuala Lumpur in June 1996. The importance of this strategy is underscored by China's control of a 2,000 kilometre stretch of the Mekong beginning at its source. Given concerns about the downstream effects of any large-scale dams, the ASEAN initiative could be a good confidence-building measure.[36] Furthermore, by including all of the actual and prospective ASEAN members, it gives the Association a strong voice in the forum which will decide the future development of the region.

It did not escape observers that the ASEAN-Mekong initiative was the East Asia Economic Caucus (EAEC) in another guise, particularly since Malaysia has been the prime mover behind the grouping, and that it seeks to bring in Japan and South Korea.[37] This could perhaps explain why Prime Minister Mahathir was pleased with the outcome of the Summit meeting, given his very low expectations beforehand.[38] However, other countries such as the United States and Australia, for example, are also being brought into the process.

There are, nevertheless, sound economic reasons for ASEAN's involvement in the GMS, a region rich in natural resources, and full of economic promise. A number of ASEAN states have a substantial economic stake in Cambodia, Laos, Vietnam and Myanmar. Singapore, for example, is now one of the largest investors in Myanmar and Vietnam, while Malaysia has considerable investments in Cambodia and Vietnam. By the same token, incorporating the Mekong Basin within ASEAN is seen as something of value that the non-ASEAN Southeast Asian nations are bringing into the Association.[39] As one of the Cambodian co-Prime Ministers noted, the Mekong subregion

> ... will be one of the fastest growing in the region and in the world. So while we try to function independently as nations, we also need to work together for everyone's benefit. In this context, Cambodia can alleviate itself by bringing into the picture the Mekong 6 and the economic benefits of this grouping.[40]

Integrating the other Southeast Asian countries into ASEAN would also reduce their isolation and limit the ability of external powers to become involved in the region. One of the reasons why ASEAN is so keen to see Myanmar become part of ASEAN is to prevent Yangon from becoming too dependent on Beijing. After the bloody 1988 pro-democracy crackdown by the SLORC, China boosted dramatically its political, economic and military links with Myanmar. Following the signing of a border trade agreement in August 1988, Chinese consumer goods have flooded the markets of upper Myanmar, and since late 1989, over US$1.4 billion worth of Chinese military equipment has been purchased by Myanmar, including artillery, tanks, radar, F-5 fighter jets and patrol boats. Of more concern is the influence that Beijing is seen to wield through Chinese engineers involved in infrastructure projects throughout Myanmar, and the persistent reports of Chinese interest in developing a naval presence in the Bay of Bengal.[41] ASEAN states fear that Beijing is gaining leverage over the strategic waterways linking the Indian Ocean with the Malacca Strait.[42]

The expansion of ASEAN is also a strategy to give the grouping greater influence in regional affairs. In his opening address to the 1995 Summit, Prime Minister Mahathir spoke of the diplomatic weight of a unified ASEAN, even without factoring in the inclusion of Cambodia, Laos and Myanmar. Together, the seven nations of ASEAN have a population of 422 million, a share of global trade of just under US$500 billion, which makes the Association the world's fourth largest trader, and a combined GDP (gross domestic product) of US$448 billion.

This appears to give the grouping considerable economic, diplomatic and political power at a time when ASEAN is becoming increasingly confident about its international role and standing. However, ASEAN has also been the subject of external criticism, both for its chairmanship of the ASEAN Regional Forum, and for its constructive engagement policy towards Myanmar. At the 1995 Summit, Dr Mahathir asserted that ASEAN has "the necessary clout as a group and if we remain strongly united, we should be a credible force which others would need to reckon with". Concerned about maintaining ASEAN's place in the face of what he saw as external pressures on APEC and the ARF to develop them in ways that were not in the interests of ASEAN, Dr Mahathir argued that the "political and economic potential which ASEAN would have, as an enlarged grouping, to determine ASEAN's own destiny, and to influence the pace and direction of Asia-Pacific affairs, is really quite enormous. That is why the ASEAN-Ten should become a reality quickly, not slowly".[43] The addition of the other three Southeast Asian states into ASEAN would give the grouping a combined population of over 500 million, and a GDP of over US$460 billion, resulting in even greater political, diplomatic and economic weight in regional and global affairs.

The expansion of ASEAN gives the grouping more bargaining power in its bilateral relations with the major regional powers. This was a point emphasized by President Ramos, who noted that "progress toward a Southeast Asian community would add considerable weight to ASEAN — in its influence in the world and in dealing with the big powers". Since the Singapore Summit, there has been increasing apprehension within ASEAN about China's growing economic power, military modernization programme, and its territorial acquisitiveness in the South China Sea. Just one month after the 1992 Summit, China passed a law claiming sovereignty over the South China Sea, and in May 1992 signed an oil exploration agreement with a U.S. company to prospect in an area of the South China Sea claimed by Vietnam. Perhaps not surprisingly, security issues took centre-stage at the July 1992 AMM in Manila, with ASEAN issuing a separate declaration on the South China Sea calling for the peaceful resolution of all competing claims. Since then, this issue has continued to resurface at various times, notably in February 1995 when it was discovered that China had occupied Mischief Reef, which is claimed by the Philippines and situated only 170 kilometres away from Palawan Island. It also came to the fore in May 1996 when China defined its maritime baselines after ratifying the U.N. Convention on the Law of the Sea (UNCLOS), causing concern in some ASEAN capitals. At the Summit, Vietnam and the Philippines called for the demilitarization of the South China Sea, and the peaceful settlement of disputes over the Spratlys in line with the 1992 ASEAN Declaration and UNCLOS.

In an ironic twist and a good illustration of the dramatic changes that have occurred in the strategic environment since the end of the Cold War, Vietnam, formerly regarded as public enemy number one, has now become part of ASEAN. China, nominally an ally of ASEAN during the Vietnamese occupation of Cambodia, is watched with concern. Hanoi certainly saw ASEAN membership as a boost to its position *vis-á-vis* China, a view that was probably also shared by Beijing. The inclusion of Vietnam into the Association has also added another string to ASEAN's policy of drawing China into a structure of constructive dialogue so that China is encouraged to be a co-operative regional partner. Currently, Vietnam is the grouping's only socialist member, and its *doi moi* (renovation) policies are seen to give ASEAN a better understanding of some of the processes and problems of the economic liberalization occurring in China.[44] The inclusion of Vietnam also means that for the first time ASEAN has a land border with China, which will be extended with the incorporation of the CLM countries into the Association.

Although it is expected that all ten Southeast Asian countries will be part of ASEAN by the turn of the century, officials are quick to admit that the accession of Cambodia, Laos and Vietnam will not be without its problems. Although Vietnam's successful inclusion has set a good precedent, it has not been without trepidation on the part of officials, not least because it happened much earlier than expected. Speaking at the conference marking the twenty-fifth anniversary of the Jakarta-based Centre for Strategic and International Studies, ASEAN Secretary-General Ajit Singh outlined some of the concerns that preyed on the minds of officials as they looked at the questions raised by Vietnamese membership. "Was Vietnam ready to join ASEAN? Could Vietnam fulfil the requirements of AFTA? Would it cast a dampener on the economic development of others? How would it cope with the frequency and expense of ASEAN meetings? How would it affect the ASEAN way of doing business as the first communist government to join the grouping?" On a lighter note, he asked if "Vietnam would share in the jokes, play golf, eat durians and sing karaoke". This deceptively frivolous question covers a certain amount of anxiety, given that the ASEAN states have almost a thirty-year history of building good relations with each other, and throughout much of that time, the threat of an expansionist Vietnam provided the binding glue. Furthermore, officials had worried whether Vietnam would be able to adjust to the ASEAN approach of consultation and consensus. The other important question on the minds of officials, according to the Secretary-General, was "what would the dialogue partners say, and how would it affect

ASEAN's relations with them?" Thus far, officials have been very pleased with the way that Vietnam has adopted the ASEAN way of doing things. By its actions, Vietnam has put many of these misgivings to rest, and proved to be a hardworking member of the Association, eager to fulfil its obligations.

Similar concerns surround the issue of the inclusion of the CLM countries into ASEAN. These centre around the potential threat to ASEAN's cohesion. Singapore Prime Minister Goh Chok Tong has noted that the CLM countries would "face difficulties in discharging their manifold obligations within ASEAN including AFTA".[45] There are doubts about the ability of the CLM countries to participate in the almost 300 ASEAN meetings held each year. ASEAN has formed a working group to ease the integration of the CLM countries into the Association. To use Cambodia as an example, in-country briefings have been given to officials and ministers, four Cambodian officials were given training during a month-long attachment to the ASEAN Secretariat, while others were given training on AFTA matters during two-week attachments. Bilateral training programmes are also being undertaken. Brunei and Singapore have conducted English-language courses. Training on diplomacy and international relations has been done by Malaysia, while the Philippines has conducted courses on ASEAN affairs. Although the officials are gaining technical skills through various training programmes, just as important will be the more intangible socialization process that these officers will undergo during their stay in other ASEAN capitals. Myanmar, Laos and Cambodia are in the process of establishing embassies in all the other ASEAN capitals[46] which will make it much easier for their officials to attend ASEAN meetings, over half of which are usually attended by resident diplomats. Commenting on the approach taken by the CLM countries towards ASEAN membership, Thai Prime Minister Banharn Silpa-Archa praised their determination to join ASEAN, warmly welcoming "the goodwill and seriousness the three countries have demonstrated towards ASEAN".[47]

These facilitating measures, however, cannot mask the fact that the incorporation of the CLM countries into ASEAN will not be a quick or easy process. Even among the euphoric rhetoric that surrounded the Summit, there was a clear recognition of the challenges that lay ahead. Prime Minister Vo Van Kiet noted that "it is true that never before is ASEAN facing such a promising opportunity as at present. At the same time, one should look at the diversity in terms of history, culture and unequal levels of economic development, which presents itself as no small challenge to ASEAN on its path of development".[48] Officials are quick to note that full integration of the other Southeast Asian countries into the Association will take time. One ambassador noted that "the vision of the founding fathers will be realised and we have to work to ensure that it is. Nobody says that it is going to be easy".[49] Although there are concerns that it will be more difficult forging a consensus with more members, particularly those with such different socio-political systems, others are much more sanguine, noting that the incorporation of the other three countries into ASEAN should not be portrayed just in a negative light in terms of its impact on the ASEAN process. President Soeharto has remarked that ASEAN will "benefit early on from the fresh insights and perspectives that [the CLM countries] are expected to bring into the work of our Association".[50]

Deepening Economic Co-operation

The 1995 ASEAN Summit was also notable for the number of decisions taken to accelerate and deepen economic co-operation. The implementation of the AFTA process was brought forward five years with a new target date of 2003. Leaders called for maximizing the number of items with tariffs at 0–5 per cent, as well as the number of products with zero tariffs by the year 2000. The decision was taken to set up an ASEAN Dispute Settlement Mechanism. ASEAN economic co-operation was broadened to cover new areas with the endorsement of the ASEAN Framework Agreement on Services to liberalize service industries like banking, telecommunications and tourism to make them more open to intra-ASEAN investment. The possibility of an ASEAN patent system and an ASEAN trademark are two issues that will be explored under the Agreement on Intellectual Property Co-operation. Leaders called for an ASEAN Free Investment Area, both as a means of promoting more FDI, and to increase intra-ASEAN investment. To support the AFTA process, leaders endorsed the action plans on Infrastructure Development, Transport and Communication, Energy Co-operation, and Small and Medium Enterprise Development. There was also recognition of the primary role played by the private sector in furthering ASEAN economic co-operation, and in encouraging greater private sector participation in the policy process. Links would also be strengthened with the ASEAN Chambers of Commerce. In the words of President Fidel Ramos, it is necessary to "devise practical ways for our business sectors to invigorate, expand, and strengthen networks of contact and information — so that our policies can be given vibrant life, by putting in place business arrangements that benefit our economies and the masses of our people".[51]

The need to intensify economic co-operation was a major theme of the Bangkok Summit. There has, in fact, been considerable scepticism about the ability of ASEAN to deepen economic integration.[52] Indonesia's decision to withdraw previously agreed agricultural items from a list of products marked for tariff reduction by the year 2003 was a cause of concern at the Summit. Nevertheless, one of the most important messages to come out of the 1995 Summit was the political commitment of leaders to deepen economic co-operation. There were concerns that ASEAN was no longer leading global economic liberalization, and was therefore running the risk of becoming less competitive in the international arena. "Global competitiveness is getting more intense", stated Brunei's Sultan Hassanal Bolkiah, for "other region[s] will compete and challenge ASEAN's attractiveness as a market and a place for foreign direct investments".[53] The inflow of FDI has been a major factor supporting economic growth in the ASEAN states: the so-called "third wave" of investment from the mid-1980s as Japan and the newly industrializing economies (NIEs) relocated labour-intensive industries to ASEAN. There is, however, growing anxiety about the rise of more attractive destinations for FDI. Prime Minister Goh Chok Tong voiced the concerns of many when he stated that the Association "faces strong competitors for capital and foreign direct investment".[54] This was a message that had been heard before at the 1992 Summit when it was feared that the newly emerging economies in Eastern Europe would attract European Union investment, and the creation of NAFTA (North American Free Trade Agreement) would lead to the diversion of U.S. funds to Mexico.[55]

In 1995, however, ASEAN's major competitors were situated in South and East Asia. Goh noted that "China and India have further liberalized their already big economies. Their integration with the international economy will increase competition for market shares [of] capital and foreign investments". This could provide market and investment opportunities for ASEAN, the Singapore Prime Minister noted, but it was also important for ASEAN to remain competitive. ASEAN has almost doubled its share of global FDI from 5 per cent in 1982–87 to 9 per cent in 1992, but China's share more than trebled from 2 per cent to 7 per cent during the same period.[56] It was only in 1992 that the investment boom began in China, with US$11 billion in FDI pouring into the country in 1992, US$27.5 billion in 1993, and US$33.8 billion in 1994.[57] Although the slow-down in the Chinese economy during 1995 led to a decrease in the inflow of FDI, the sheer size of the Chinese market means that it will continue to be a significant destination for outside investment. Increasingly, Japanese companies, favour investing in China because of its promise as an important market in the medium-term. Overseas Chinese have also been significant investors in China. There is concern within ASEAN that the attractiveness of the Chinese market will divert funds away from ASEAN.[58] Indeed, a prominent regional economist has argued that one scenario in the evolving "fourth wave" of FDI flows sees "a massive investment boom in China with the possibility of significant investment diversions from other destinations".[59] In this context, ASEAN's desire to deepen economic co-operation through AFTA as a means to continue attracting FDI is evident. This was emphatically stated by President Ramos, who declared that "the Philippines places particular importance on co-operative schemes that will enhance ASEAN's attractiveness as an investment destination and as a competitive region".[60]

Set in the global context, the ASEAN states were under no illusions about the need to keep pushing for more open trade even though the Uruguay Round of the GATT (General Agreement on Tariffs and Trade) trade liberalization talks had finally been completed, and the World Trade Organization (WTO) established. Recent years had seen the signing of NAFTA, the deepening of economic co-operation within the EU, and the establishment of MERCOSUR. There was concern that these developments would not necessarily lead to freer trade. President Soeharto remarked that:

> the dynamics of a good number of recently established regional economic groups and arrangements have become the dominant feature of the emerging international economic system. We need to be assured that these regional groups and arrangements contribute to world trade liberalisation instead of fragmenting the world trading system.[61]

The concern was that with the focus on deeper and wider regional integration, policy-makers would become more inward-looking and focus less on international trade liberalization. Furthermore, with increasing economic integration the regional trading blocs have gained more economic power and more political clout in the global economic order. At the same time they have also become increasingly confident and assertive in relation to external parties, as seen in U.S. tactics employed against the trade-surplus countries in East Asia in recent years.[62] The expansion of ASEAN gives it a greater weight in the context of trade liberalization, particularly given that an ASEAN country — Singapore — is hosting the inaugural ministerial meeting of the World Trade Organization in December 1996.

Political and Security Co-operation

The other major initiative arising from the Bangkok Summit was the signing of the Southeast Asia Nuclear Weapons Free Zone (SEANWFZ) treaty. As ASEAN's first new treaty since 1976, SEANWFZ was regarded by ASEAN officials as a significant achievement. This was underlined by the signature of all ten leaders to the treaty, symbolizing a commitment to ASEAN unity, and confirming how far ASEAN has come in the promotion of regional peace and stability. President Soeharto noted that SEANWFZ "constitutes a significant instrument for further enhancing peace and stability in the region".[63] The signing of the treaty, however, was dampened by the refusal of the major powers to sign, in particular the United States, which ASEAN diplomats had earlier understood would sign the treaty. To some extent, the refusal of the major powers to sign the treaty stole the thunder from what was expected to be the highlight of the Summit. The United States was concerned that the treaty would restrict the movement of its nuclear-powered or armed warships and submarines through the region. China also did not sign the treaty because it covered areas claimed by China in the South China Sea. ASEAN, however, will keep working towards great power signature of the protocols. President Ramos stated that the treaty and protocols had enough flexibility to accommodate the concerns of the big powers. "ASEAN is going to be very patient about this," he said, noting that the group had been working for a Zone of Peace, Freedom and Neutrality (ZOPFAN) since the 1970s.[64]

Given ASEAN's long-standing goal of achieving ZOPFAN, the signing of the treaty at the ASEAN Summit was seen as a step towards world peace, nuclear disarmament, and as a means of protecting the region from environmental pollution and the hazards posed by radioactive waste. The treaty essentially commits signatories not to manufacture, possess, test or use nuclear weapons, nor allow other states to do so on the territory of an ASEAN country. The treaty also provides for all foreign ministers of member-states to oversee the implementation and compliance.

Yet at the same time that leaders were putting their signatures on the SEANWFZ treaty and endorsing the need for a Zone of Peace, Freedom and Neutrality in Southeast Asia, the signing of a security agreement between Indonesia and Australia was announced.[65] This came as a big shock to ASEAN officials,[66] who had not been informed prior to the signing. The agreement imposed an obligation on both countries to consult each other in the face of "adverse challenges", and was largely seen to represent the formalization of increased defence links between the two countries, a growing convergence in strategic outlook between Canberra and Jakarta, and the close personal ties between Prime Minister Paul Keating and President Soeharto. For Indonesia, with its traditional policy of non-alignment, the agreement signalled to the rest of ASEAN that it was prepared to think more independently about its future, and reflects Jakarta's growing concern about China's stance over the Spratly Islands.

Another major and equally surprising initiative was the decision to upgrade the status of India from a Sectoral Dialogue Partner to a full Dialogue Partner of the Association. India became an ASEAN Sectoral Dialogue Partner in early 1993, and its elevation in status is a clear reflection of its standing as a regional great power, its drive to become part of Asia-Pacific multilateral institutions, and the growing economic links that exist between ASEAN and India. Two-way trade increased from US$1.9 billion in 1991–92 to US$3.67 billion in 1994–95, and India has approved more than 12.6 billion rupees worth of ASEAN investments.[67]

There were also sound strategic reasons for elevating India's relationship with ASEAN, thereby making it eligible for inclusion into the ARF. In strategic terms, India provides an economic counter-balance to China. Given its past border disputes with China and its potential ability to control access to the Strait of Malacca through the Indian Ocean, its actions could have a direct impact on the peace and stability of Southeast Asia. As Paul Dibb notes, "the most likely intersection of future Indian and Chinese military interests — other than along their common border — is in Southeast Asia, where India has forward bases in the Andaman and Nicobar islands and China has a growing interest in Myanmar".[68]

The Summit was also marked by a very strong sense of the need to foster an ASEAN consciousness and identity among younger generations of ASEAN citizens as a means of deepening awareness about ASEAN. Prince Hassanal Bolkiah noted that the Association:

> must not neglect the next generation of ASEAN. More than 50 per cent of ASEAN's population is below the age of 20. A large number of young ASEAN citizens are in the schools and universities. Our young must be given opportunities to interact and build empathy and rapport among themselves. We must encourage more youth activities within ASEAN. This will increase the bonds among the future leaders of ASEAN.[69]

This call was echoed by the other leaders, including Prime Minister Banharn Silpa-Archa, who declared that this was "consistent with our aim of making ASEAN not merely an association of states but a community of peoples".[70] It was in this spirit that there was such a focus on functional co-operation at the Summit as a means of enhancing the welfare of ASEAN citizens through education, welfare and the eradication of poverty through sustainable economic development.

If the 1992 Summit was noted for its bold initiatives in terms of establishing the ASEAN Free Trade Area and setting in motion the ASEAN Regional Forum process, the 1995 Summit was noted for the very good rapport that was quickly established among leaders. Prime Minister Goh remarked that the leaders were able to push the boundaries of ASEAN co-operation even further than envisaged by ministers and officials, noting that "ASEAN leaders delivered significant new initiatives during their short stay in Bangkok. When leaders meet only among themselves, in an informal atmosphere, rapport is quickly established".[71]

This is not to say that there were no differences of opinion. The Indonesian decision to retract previously agreed products from the list of goods marked for tariff reduction dismayed many countries, and last-minute adjustments had to be made to the SEANWFZ Treaty to accommodate Philippine concerns. Nevertheless, the warm and friendly atmosphere at the Summit so impressed the Cambodian leaders that when they returned to Phnom Phen they directed that Cambodia's application for full membership be submitted. Previously, it had been expected that Cambodia would join after Laos, but now both countries are scheduled to join in mid-1997. Furthermore, leaders were so impressed by the rapport that was established that they decided leaders' meetings should be held annually as a means of touching base and keeping up to date with current developments.

In the words of Prime Minister Goh, "I believe that at this 1995 Bangkok Summit Meeting we have begun erecting new pillars on the strong 1967 foundation".[72] Perhaps the most important outcome of the meeting was the political vision of the leaders as they laid out the blueprint for broadening and deepening ASEAN into the twenty-first century. By broadening ASEAN to include Cambodia, Laos and Myanmar, and deepening ASEAN co-operation to cover new economic, political, and socio-cultural areas, the leaders hope to realize the dream of ASEAN's founding fathers. The 1995 Summit did, however, as President Ramos had hoped, mark another step on the way to a higher peak of ASEAN co-operation, but as leaders and officials recognize, and as commentators have been quick to point out, there are still formidable challenges to be overcome before that summit is reached.

NOTES

* The views expressed here are those of the author alone, and should not be taken to reflect the policy of the New Zealand Government. The author would like to take this opportunity to thank all those who helped in the preparation of this article.

1. "Meeting of the ASEAN Heads of Government", *Fifth ASEAN Summit* (Jakarta: ASEAN Secretariat, 1995), p. 60. Hereafter, all comments made by leaders will be cited as *Fifth ASEAN Summit*.
2. *Fifth ASEAN Summit*, p. 32.
3. Michael Vatikiotis and Rodney Tasker, "Hang on Tight", *Far Eastern Economic Review* (hereafter cited as *FEER*), 28 December 1995 and 4 January 1996, p. 16.
4. Meidyatama Suryodiningrat, "ASEAN breaks new ground", *Jakarta Post*, 14 December 1995, p. 1.
5. Michael Leifer, *Dictionary of the Modern Politics of South-East Asia* (London: Routledge, 1995), p. 51.
6. Michael Antolik, "ASEAN's Singapore Rendezvous: Just Another Summit?" *Contemporary Southeast Asia* 14, no. 2 (September 1992): 142.
7. Mark G. Rolls, "ASEAN: Where From or Where To?", *Contemporary Southeast Asia* 13, no. 3 (December 1991): 317.
8. David Irvine, "Making Haste Less Slowly: ASEAN from 1975", in *Understanding ASEAN*, edited by Alison Broinowski (London: MacMillan, 1982), p. 37.
9. For an overview of the 1992 Summit, see Antolik, op. cit., pp. 142–53, and for a good discussion of its impact on the future development of ASEAN, see Donald E. Weatherbee, "ASEAN and Evolving Patterns of Regionalism in Southeast Asia", *Asian Journal of Political Science* 1, no. 1 (June 1993): 29–54.
10. Peter Bohan, "ASEAN Summit Leaders To Search for New Role", *Reuter News Service*, 21 January 1992.
11. *Fifth ASEAN Summit*, p. 23.
12. *Fifth ASEAN Summit*, p. 27.
13. *Fifth ASEAN Summit*, p. 55.
14. *Fifth ASEAN Summit*, p. 32.
15. Dewi Anwar, "ASEAN Summit marks the beginning of a new era", *Jakarta Post*, 18 December 1995, p. 1.
16. Kishore Mahbubani, "The Pacific Impulse", *Survival* 37, no. 1 (Spring 1995): 116.
17. See Allan E. Goodman, "Vietnam and ASEAN: Who Would Have Thought It Possible", *Asian Survey* 36, no. 6 (June 1996): 592–600, for a brief discussion of Vietnamese membership of ASEAN.
18. "Towards a Supergroup", *Asiaweek*, 7 February 1992, p. 24.
19. In the words of the Cambodian co-Prime Minister, H.R.H. Norodom Ranariddh, *Fifth ASEAN Summit*, p. 45.
20. "One SE Asia: A Dream or Reality?", *Jakarta Post*, 12 December 1995, p. 4.
21. Nusara Thaitawaat and Nuktara Sawatawang, "Burma confirms ASEAN ambition", *Sunday Post*, 17 December 1995, p. 3.
22. Nussa Sawatsawang, Saritdet Maruket and Nusra Thaitawat, "Reasons for turning to ASEAN twofold", *Bangkok Post*, 14 December 1995, p. 7.
23. Ibid., p. 7.
24. *Bangkok Post*, "Alatas defends Burma's membership of ASEAN", 14 December 1995, p. 1.

25. *Straits Times*, "ASEAN defers Myanmar membership: Reports", 30 September 1996, p. 21.
26. *Fifth ASEAN Summit*, p. 27.
27. Michael Leifer, *ASEAN and the Security of South-East Asia* (London: Routledge, 1989), pp. 4–5.
28. Jusuf Wanandi, "ASEAN Summit produces major results", *ASEAN Update*, Vol. 1/96 (January–February 1996), p. 10.
29. Anuraj Manibhandu et al., "Regional Unity under ASEAN a 'Necessity'", *Bangkok Post*, 15 December 1995, p. 5.
30. Figures from Asian Development Bank, *Economic Cooperation in the Greater Mekong Subregion: An Overview*, July 1996, p. 2.
31. Ashraf Abdullah, "Anwar: Rich S.E. Asian Nations Must Help", *New Straits Times*, 18 June 1996, p. 1.
32. Lee Siew Hua, "Promise and Peril of the Mighty Mekong", *Sunday Review* (Supplement of the *Sunday Times*), 8 September 1996, p. 2.
33. This was one of the issues on the agenda of the Sixth Asian Development Bank Conference on the Greater Mekong Subregion held in Kunming, 15 August 1996.
34. *New Sunday Times*, "A River of Opportunity", 16 June 1996.
35. Vatikiotis and Tasker, op. cit., pp. 16–17.
36. Lee Siew Hua, op. cit., p. 2.
37. Ahirudin Attan, "Let group chart future of region the ASEAN way", *Business Times* (Malaysia), 18 December 1995, p. 20.
38. Saiful Azhur Abdullah and Rashid Yusof, "Dr M: Summit produced more than I expected", *New Straits Times*, 16 December 1995.
39. For a brief discussion of the economic costs and benefits of the incorporation of the other three Southeast Asian countries into AFTA, see Mohamed Ariff, "From ASEAN-Six to ASEAN-10: Issues and Prospects", in *AFTA in the Changing International Economy*, edited by Joseph Tan (Singapore: Institute of Southeast Asian Studies, 1996), especially pp. 71–73.
40. H.R.H Norodom Ranariddh, *Fifth ASEAN Summit*, p. 45.
41. Bertil Lintner, "State in the Middle", *FEER*, 3 August 1995, p. 24. See also Dipankar Banerjee, "Shifting Ties: China, India and Myanmar", *Trends*, Supplement in the *Business Times* (Singapore), 26–27 October 1996, p. 4.
42. Yang Razali Kassim, "A vehicle to contain power play", *Business Times* (Singapore), 23 July 1996.
43. *Fifth ASEAN Summit*, pp. 14–15.
44. "Toward the ASEAN Ten", *Asiaweek*, 30 June 1995, p. 26.
45. Meidyatama Suryodiningrat, "Summit heralds united region", *Jakarta Post*, 16 December 1995, p. 1.
46. "ASEAN Cambodia", *ASEAN Update*, Vol. 3/96 (May-June 1996), p. 24.
47. *Fifth ASEAN Summit*, p. 61.
48. *Fifth ASEAN Summit*, p. 32.
49. Zainon Ahmad, "Testing times for ASEAN on the move", *New Straits Times*, 14 December 1995, p. 12.
50. *Fifth ASEAN Summit*, p. 8.
51. *Fifth ASEAN Summit*, p. 17.
52. See, for example, Donald E. Weatherbee, op.cit., pp. 35–42. A good recent discussion of AFTA is Linda Low's "The ASEAN Free Trade Area", in *Regional Integration*

and the Asia-Pacific, edited by Bijit Bora and Christopher Findlay (Melbourne: Oxford University Press, 1996), pp. 197–206. A more comprehensive discussion of ASEAN economic co-operation can be found in Gerald Tan, *ASEAN Economic Development and Co-operation* (Singapore: Times Academic Press, 1996).

53. *Fifth ASEAN Summit*, p. 4.
54. *Fifth ASEAN Summit*, p. 24.
55. Michael Richardson, "ASEAN: Region, Challenged by Europe, Plans to Start a Free-Trade Area", *International Herald Tribune*, 21 January 1992, p. 2.
56. *Fifth ASEAN Summit*, p. 24.
57. Chi-Hung Kwan, "A New Wave of Foreign Direct Investment in Asia", in *Emerging Growth Pole: The Asia-Pacific Economy*, edited by Dilip K. Das (Singapore: Prentice Hall, 1996), p. 168.
58. Ibid., pp. 166, 168.
59. Hadi Soesastro, "ASEAN Economic Cooperation in a Changed Regional and International Political Economy", in *ASEAN in a Changed Regional and International Political Economy*, edited by Hadi Soesastro (Jakarta: Centre for Strategic and International Studies, 1995), p. 11.
60. *Fifth ASEAN Summit*, p. 20.
61. *Fifth ASEAN Summit*, p. 10.
62. Kym Anderson, "World Trade Developments from an East Asian Perspective", in Dilip K. Das, op. cit., pp. 192–93, 200.
63. *Fifth ASEAN Summit*, p. 9.
64. Roberto Coloma, "Big power's doubts pose problems for ASEAN plan", *Jakarta Post*, 17 December 1995, p. 2.
65. For a full discussion of the agreement, see Alan Dupont, "The Australia-Indonesia Security Agreement", *Indonesian Quarterly* 24, no. 2 ( ) pp. 195–206.
66. Patrick Walters, "Defence pact comes as bolt from the blue for ASEAN Summit officials", *Weekend Australian*, 16/17 December 1995, p. 4.
67. "India has become Dialogue Partner of ASEAN", *ASEAN Update*, Vol. 1/96 (January–February 1996), p. 8.
68. Paul Dibb, *Towards a New Balance of Power in Asia*, Adelphi Paper No. 295 (Oxford: Oxford University Press for the International Institute for Strategic Studies, 1995), p. 33.
69. *Fifth ASEAN Summit*, pp. 4–5.
70. *Fifth ASEAN Summit*, p. 30.
71. *Fifth ASEAN Summit*, p. 56.
72. *Fifth ASEAN Summit*, p. 55.

SIMON HAY is a Research Fellow at the Institute of Southeast Asian Studies.

Contemporary Southeast Asia, Volume 18, Number 3, December 1996

Indonesian Defence Strategy and Security: Time for a Rethink?

ALAN DUPONT

This article argues that Indonesia's defence strategy needs to be reconfigured, conceptually and operationally, to take account of emerging external security challenges which will increasingly shape Indonesia's national security agenda in the twenty-first century. The Indonesian Armed Forces (ABRI) currently suffers from a number of serious systemic and operational weaknesses and must find a more equitable balance between the very different demands of internal and external security. The focus of Indonesia's defence strategy will inevitably shift, over time, from territorial defence to maritime protection. However, this reality is yet to be reflected in Indonesia's force structure or defence doctrine. ABRI is currently saddled with an operational policy it cannot declare and a declaratory policy which has limited operational utility.

Introduction

There has been remarkably little change in Indonesian strategic thinking during the thirty years of President Soeharto's incumbency. While this is due, in part, to Indonesia's overwhelming preoccupation with internal security, it also reflects a high degree of doctrinal and conceptual inertia which does not bode well for the Indonesia Armed Forces (ABRI) to deal with the security challenges of the twenty-first century. This article examines Jakarta's current external security concerns in the context of the Indonesian state's broader geostrategic role as an emerging power which sees itself as the "regulator" of the maritime cross-roads of Southeast Asia. The principal conclusions are that ABRI suffers from a number of serious systemic and operational weaknesses, among which are the lack of a coherent strategic framework and an increasingly obvious disjuncture between declaratory policy and actual defence capabilities. Indonesia needs to rethink and adjust its strategic doctrine and force structure to take into account a number of new security issues, and to find a more equitable balance between the very different demands of internal and external security.

Indonesia's Strategic Setting

The central importance of geography in determining the historical role of states is a maxim of strategic studies. The noted British strategist Colin Gray observes that geography not only defines the players in the game of international relations, but it "frequently defines the stakes for which the players contend, and always defines the terms in which they measure their security relative to others".[1] Geographical location is also, as Paul Kennedy has noted, a critical determinant of a nation's strategic strengths and vulnerabilities.[2] By any geographical yardstick, Indonesia is a country to be reckoned with. Consisting of 17,508 islands,[3] spread over a distance of 5,000 kilometres, Indonesia is the size of Europe and European Russia combined. It is the second largest country in East Asia, after China, and occupies some 40 per cent of the landmass of Southeast Asia. Indonesia also dominates Southeast Asia demographically. Its 200 million people account for nearly two-fifths of Southeast Asia's total population, and in global terms its population is exceeded only by China, India and the United States. Current projections show Indonesia's population rising to 290 million by 2030, before stabilizing at around 340 million by the end of the next century.[4]

However, it is Indonesia's archipelagic disposition which gives this rising Asian middle-power its distinctive geostrategic identity and defines its strategic strengths and vulnerabilities. Indonesia is primarily a maritime state. Its strategic heartland is the Java Sea, and within that sea, Java itself. Indonesia sits astride the main sea lines of communication and trade linking East Asia with Europe and the Middle East. While Indonesia shares land borders with two neighbouring states, Malaysia and Papua New Guinea, its maritime borders are not only more numerous, but also more contentious. They include borders with five of its ASEAN partners, as well as Australia and Papua New Guinea. Depending on the outcome of the Spratly Islands dispute, Indonesia might also one day share a common maritime border with China.[5] Of equal import is Indonesia's strategic location at the southern extremity of the region's most important waterway, the South China

Sea. It is contiguous with one of the most heavily trafficked straits in the world — the Strait of Malacca — which is the shortest route linking the Indian Ocean with the South China Sea and the Western Pacific. The strategic significance of Indonesia's location is heightened by the fact that the major alternative sea routes to the Malacca Strait all pass through the Indonesian archipelago, notably the Karimata/Sunda, Makassar/Lombok and Wetar/Ombai straits.

In sum, geography has conferred upon Indonesia the advantage of strategic depth, an advantage that is reinforced by the seas and straits which form defensive moats around Indonesia's main islands. These natural moats present serious obstacles to any prospective military adversary. But it is also the case that the seas and straits attenuate the geographical unity of the Indonesian state because they separate its principal population centres and diverse island cultures. These geostrategic characteristics reveal the central paradox for Indonesian defence planners. While difficult to conquer because of the strategic depth afforded by its size, terrain and archipelagic nature, the nation is also difficult to defend and govern for these very same reasons. Indonesia is fortunate, however, that it is geographically distant from the more populous and powerful states of East Asia, and relatively untouched by the great power rivalries which continue to bedevil inter-state relations in the northern quadrant of the East Asian hemisphere.

Four areas are considered by Indonesian strategic analysts to be vital to the territorial and political integrity of the state. In descending order of importance, they are:

1. the northern coastal plain of Java, which is home to a substantial proportion of Indonesia's population and includes most of the country's administrative, economic and industrial centres. The occupation of this coast would allow an invading enemy to control the Sunda, Bali and Lombok straits;
2. the major industrial and economic centres of Sumatra and Kalimantan, which could be used as "logistic support bases for the enemy's long-range operations";
3. the South China Sea, particularly the area around the Natuna Islands and the approaches to the Malacca Strait;
4. Sulawesi Sea, "as a central gateway into Indonesia".[6]

Threat Perceptions

While Indonesia has traditionally displayed extreme sensitivity towards putative internal threats, the same cannot be said about its external threat perceptions, which have been characterized by a remarkable degree of strategic insouciance.[7] With the possible exception of another archipelagic state, the Philippines, Indonesia still affords less attention to external security than probably any other state in Southeast Asia. This is partly a function of its relative strategic invulnerability as a large, well-populated state, distant from the loci of great power rivalries in Northeast Asia, but it is also due to Indonesia's historical preoccupation with the demands of nation-building and the perceived fragility of the state. Throughout the New Order government of President Soeharto, ABRI's primary responsibility has been to defend the state from domestic threats. Hence, the pre-eminence accorded to ABRI's so-called dual function (*dwifungsi*), which explicitly recognizes the socio-political role of the Armed Forces in Indonesian society.[8] The emphasis on internal security, and the central political role which ABRI has played in support of the Soeharto regime, have retarded the ability of the Armed Forces to respond to the recent changes in Indonesia's strategic environment. Gaining a sense of Indonesia's current external threat perceptions is complicated by the fact that they are seldom articulated, publicly, in other than the most general terms.[9] In private, however, senior defence and security officials acknowledge that there are five threat scenarios which form the basis of Indonesian contingency planning.[10] They are:

1. *A major conventional military attack aimed at occupying all or part of Indonesia.* Such an attack, which Indonesian officials concede is highly unlikely in the present security environment, would require substantial resources and power projection capabilities which are currently beyond the means of any country other than the United States.
2. *A limited strike against Indonesian land or territorial waters as a result of a dispute with adjacent states over unresolved borders or contested resources.* There are several bilateral disputes with ASEAN neighbours which have the potential to lead to hostilities, most notably those with Malaysia over the ownership of Sipadan and Ligitan islands, and the Philippines and Vietnam over seabed boundaries. However, Indonesian officials generally regard these disputes as irritants rather than serious bilateral security issues. China is an altogether different matter. The armed forces' long-standing suspicion of China has been reawakened in recent years by the perception that Beijing's growing assertiveness and incipient great power status will increasingly challenge Indonesia's strategic interests, especially in the area around the Indonesian-owned Natuna Islands.
3. *External interference in Indonesia's internal affairs for political,*

strategic or ideological reasons. Indonesian national security assessments tend to see the most likely external threat in the form of foreign support for dissident, separatist or extremist groups inside Indonesia.[11] In the five iterations of the Guidelines for State Policy (GBHN) produced since 1973, this is the only external threat to national security which is explicitly stated.[12] Once again, China features prominently; ABRI remains alert to the possibility that Beijing may seek to promote its interests through the small, but influential Chinese community in Indonesia.

4. *A conflict between other states in Indonesia's strategic neighbourhood which could "spill over" into Indonesian territory or affect, indirectly, Indonesia's security interests.* The area of greatest current concern is the possibility that tensions over the disputed Spratly islands in the South China Sea could lead to military hostilities between China and one or more of the ASEAN claimant states. There is a widespread belief among the Indonesian defence and security community that China's policy in the Spratlys is one of calculated ambiguity, aimed at maximizing its strategic and economic position in the South China Sea.
5. *Non-military threats to security.* Among the most commonly cited non-military issues which security planners regard as having the potential to threaten national security are pollution and piracy in the Malacca Strait, smuggling over both land and sea borders, and illegal migration.[13]

How accurately do these threat perceptions encapsulate the reality of Indonesia's post-Cold War security environment, and what do they demonstrate about Indonesia's security thinking? First, consistent with the holistic or comprehensive approach to security which is characteristic of many developing countries in East Asia, it is clear that Indonesia regards security as a seamless continuum, and does not differentiate conceptually between the internal and external dimensions of security.[14] While there is much to be said for this approach when the demands of nation-building are pre-eminent, Indonesia is no longer an embryonic modern state but a nation poised to enter the ranks of the newly industrializing tiger economies of East Asia. For this reason, and because of the complex and fluid security environment Indonesia now faces, Indonesian security planners will in future need to weigh more carefully the operational and force structure requirements of external defence against those of internal security. This, in turn, will require a far more nuanced and discerning strategic assessment capability than *dwifungsi* has so far permitted, directed towards the identification of potential external threats, and the likely time-frames in which they could be expected to emerge. Future assessments will also need to articulate a much clearer hierarchy of strategic priorities as an essential precursor to effective operational planning and financial management.

Secondly, as Benny Murdani recognized when he was Minister for Defence, non-military security issues such as smuggling, environmental degradation, marine pollution, illegal migration, maritime safety problems and the activities of transnational criminal groups will increase in relative importance. Murdani is on record as forecasting that "the challenges of tomorrow are the drug peddlers, the environmental degraders, and even the 'boat people' from China ... these are the types of problems which will detain us in the future".[15]

Indonesia has taken some steps to address these emerging dangers. The Navy's Eastern Fleet, for example, is configured primarily for operations against non-conventional military threats and law enforcement, whereas the Western Fleet is structured as a traditional sea-warfare group.[16] The Eastern Fleet has also begun to integrate police and customs vessels into its operational planning to counter illegal migration, piracy and drug-trafficking.[17] And it is clear that Indonesia signed the 1995 Indonesia–Australia Security Agreement with these issues in mind.[18] In general, however, ABRI has yet to devote serious attention to the problem of non-military challenges to national security, despite occasional rhetorical flourishes to the contrary.

Thirdly, it is clear that the most likely future external threats to Indonesian sovereignty and economic well-being will be maritime in nature. This judgement is based not only on the geostrategic realities of Indonesia's location as an archipelagic state located at the maritime cross-roads of Southeast Asia. It is also a recognition of the rising salience of non-military security issues which, as one strategic analyst has noted, are primarily "manifested at sea".[19] Of even more fundamental importance is Indonesia's increasing dependence on the sea as a source of food and natural resources. If — as the prominent Indonesian strategic thinker, Rear Admiral Sunardi, argues — "the Pacific is to be Indonesia's 'rice bowl' in the 21st Century",[20] then the requirement and means to safeguard this vast natural "rice bowl" has yet to be adequately incorporated into Indonesia's strategic doctrine, or its force structure.

Indonesia's Strategic Concepts

The evolution of Indonesia's strategic concepts is already well documented,[21] but what is striking about these concepts is how little they have changed over the past three decades. Unlike most other regional countries, there has been relatively little attempt in Indonesia to assess the strategic implications of the changing regional and global security environment and to factor them into defence planning.[22]

Indonesia's current strategic posture and doctrine is still heavily influenced by the memories and experiences of the immediate post-colonial period when the incipient, poorly equipped Indonesian Armed Forces successfully defeated the technologically and militarily superior Dutch. This largely accounts for the continuing centrality of the idea of Total People's Defence and Security[23] (HANKAMRATA) in Indonesian strategic thinking — with its Maoist connotations of people's revolutionary warfare — and the associated concept of national resilience (Ketahanan Nasional).[24] Indonesian defence planners assume that if Indonesia were to be threatened by a hostile external power, ABRI would probably be inferior in conventional military terms. Indonesian strategy is therefore based on a mixture of conventional and guerrilla tactics. Enemy forces would be initially engaged and, if possible, destroyed by the Navy and Air Force in the air and sea space beyond the 200-mile Exclusive Economic Zone (EEZ).[25] If unsuccessful, ABRI would then seek to draw-in and disperse the invading force, utilizing Indonesia's population and strategic depth to maximum advantage, and wearing the enemy down by attrition until the opportunity for a devastating counter-strike presented itself.

While HANKAMRATA still has some value as a strategy of last resort, there is a growing body of opinion within ABRI, and Indonesia's broader strategic community, that HANKAMRATA and its derivatives[26] may no longer be sufficient to provide the conceptual underpinning of Indonesian security in the twenty-first century. HANKAMRATA has little relevance or applicability to the external security challenges most likely to impact on Indonesia's security in the coming decades. These challenges, as many Indonesian strategic analysts readily concede, are more likely to be in the form of limited conflict at sea, featuring modern, stand-off weapons systems, and requiring an ability to monitor large areas of land and sea and to respond, at short notice, to penetrations of air space and sea. Or they may take the form of illegal migration, drug smuggling and acts of piracy, contingencies for which HANKAMRATA provides little or no guidance.

The continuing adherence to war-fighting principles and notions of deterrence that are now fifty years old, reflects the strategic realities of a bygone age and tends to engender a military culture which rewards conformity over innovative thinking. This culture predisposes ABRI to mass-based, "low-tech" tactics, when the judicious application of modern military techniques and equipment may be less costly in human and financial terms, and certainly more effective. It is evident that ABRI has yet to fully appreciate this lesson.[27] The problem is that HANKAMRATA has now become such an article of faith doctrinally that Indonesia will find it extremely difficult to move away from the strategic dictates of its post-colonial past unless there is an external shock, of sufficient magnitude, to cause the political and military leadership to reassess the utility of the HANKAMRATA doctrine. This suggests that ABRI will have to live with the declaratory framework of HANKAMRATA for some time yet, which will further delay and complicate any attempt by reformist elements in the defence community to reshape and reconceptualize Indonesia's strategic doctrine.

Another key feature of Indonesia's strategic thinking is its Java-centric nature, which is an acknowledgement of the geopolitical importance of Indonesia's richest, and most populous island. It is also, however, a recognition of the spiritual and cultural pre-eminence of the Javanese as an ethnic group in Indonesia, and the Indian/Javanese *mandala* concept of polity, where "the state is defined by its centre, not its periphery".[28] In strategic terms, this means that security threats are prioritized according to their capacity to disturb the Javanese centre. Far less attention and priority is accorded to more distant regions. Nowhere is this Java-centric approach to national security more evident than in the doctrine of *ASEAN Kecil* (Inner ASEAN).

The genesis of *ASEAN Kecil* can be traced back to the early 1980s when a number of influential ABRI officers on the intelligence staff of the Armed Forces Headquarters began to argue that the inner core countries of ASEAN — Indonesia, Singapore and Malaysia — were the key to ASEAN security.[29] Within this core sub-region, defined by a circle of 1,500 miles radius from Jakarta, is the strategic heartland of maritime Southeast Asia, containing most of ASEAN's key infrastructure, cities, transport nodes, natural resources and population. It is also where East Asia's key sea lines of communication converge. The proponents of *ASEAN Kecil* — who later came to include both former Foreign Minister Mochtar Kusumaatmadja and Defence Minister Benny Murdani, as well as most of the current ABRI hierarchy[30] — believe that as any serious military threat to Indonesia will most likely emanate from the north or northwest, it is crucial to deny a potential enemy the use of bases in Malaysia and Singapore which could be used as a platform for launching attacks against Indonesia.

If a choice has to be made, Indonesia will give higher priority to the defence of Singapore and Kuala Lumpur over Indonesian cities like Merauke which, in Murdani's view, are too distant from Java and without the necessary infrastructure to pose a major threat even if they are occupied by an enemy force.[31] Some senior ABRI officers, as well as their Malaysian and Singaporean counterparts, were initially reluctant to endorse the logic of *ASEAN Kecil* essentially because of ASEAN political sensitivities. However, by the mid-1980s, informal agreement had been reached between the respective defence and security establishments of the three countries to co-operate in the event of a serious military threat from "the north or northwest".[32]

ASEAN Kecil remains a fundamental, but seldom stated, tenet of Indonesia's security thinking today, although it finds some resonance in the doctrine of stability-in-depth and *CADEK-1988,* a Murdani reformulation of the 1966 defence doctrine "setting out the history of the armed forces and their strategy for defending Indonesia against external and internal threats".[33] In purely strategic terms, giving primacy to a policy which maximizes Indonesia's capacity to defend the most likely avenues of attack against its key concentrations of resources, infrastructure and population makes considerable sense.

There are, however, several potential operational, force structure and doctrinal problems which Indonesia will have to resolve should it wish to give serious effect to *ASEAN Kecil*. First, the success of *ASEAN Kecil* and its associated doctrine of stability-in-depth will largely depend on ABRI's capacity to effectively monitor the southern extremities of the South China Sea, the approaches to the Malacca and Karimata straits, and the Malay peninsula. At present, Indonesia lacks the maritime surveillance and strategic intelligence assets to provide effective early warning of developments in these key approaches.

Secondly, *ASEAN Kecil* assumes the ability to deploy forces over significant distances, and to sustain them for lengthy periods of time in the event of a serious military confrontation. Such capabilities go well beyond the requirements of territorial defence, and suggest that ABRI will need to greatly improve its mobility, as well as its strategic strike and interdiction capabilities which are currently invested in the units of the Army's Strategic Reserve (KOSTRAD), and more particularly, the Ready Reaction Strike Force (PPRC).[34] As ABRI's unconvincing performance during its 1975 East Timor campaign painfully demonstrated to the ABRI hierarchy,[35] conventional military operations levy demands of an entirely different order on defence forces than those associated with routine policing and internal security duties.

Thirdly, a policy of "defending forward"[36] presupposes a completely different doctrinal basis for the conduct of operations than the inward-looking, strategic autarky of Total People's Defence. As long as ABRI's primary focus remains on internal security it will be difficult for Indonesia to develop an appropriate force structure and operational doctrine to support the strategic logic implicit in the notion of *ASEAN Kecil*. Indonesia will also need to give much greater consideration to joint forces planning and operations if it envisages co-operating with Malaysia and Singapore in defence of the Malacca Strait and the northern maritime and land approaches to Indonesia.

Apart from the purely military obstacles which will have to be overcome, a declaratory policy based on the notion of *ASEAN Kecil* raises some obvious political problems. Domestically, it leaves the government vulnerable to the criticism that in privileging Java over the rest of the archipelago in security matters, Jakarta is paying only lip-service to the leit motif of national unity. Regionally, apart from an unwillingness to break a long-standing taboo on ASEAN defence co-operation, Indonesia has been reluctant, so far, to risk creating the impression that there is a two-tier ASEAN, although this reticence may diminish as ASEAN becomes a much larger and more diverse association.[37] Jakarta is also mindful of the regional sensitivities which might be exposed should it declare openly that Indonesia would take co-ordinated military action with Singapore and Malaysia against a perceived threat to their mutual security interests. Thus, Indonesia appears to be saddled with an operational policy which it cannot declare (*ASEAN Kecil*), and a declaratory policy (HANKAMRATA) which has limited operational utility.

Funding and Structural Weaknesses

Another problem area, which will have increasingly serious long-term ramifications for force structure and strategic planning in the future if not rectified, is the systemic weaknesses in the way defence is funded in Indonesia. These weaknesses include the relatively low proportion of the state budget devoted to defence generally, the "ad hoc" nature of defence funding, and distortions caused by widespread corruption and political interference in the acquisition process.

Official Indonesian defence spending between 1984 and 1994 has varied from 1.4 to 2.4 per cent of gross domestic product (GDP), although it has averaged about 1.5 per cent for most of the 1990s.[38] However, to get a true picture of defence spending, allowance has to be made for supplementary or off-budget funding — principally from ABRI-run businesses, and money provided by the influential head of the Agency for the Development and Application of Technology (BPPT), B.J. Habibie. Recent examples of such funding include the Habibie-driven purchase of 39 second-hand ships from Germany, 24 Hawk

100/200 aircraft obtained from the United Kingdom, and a special one-off allocation of money from the sale of land owned by an army-run "private" foundation in Jakarta's Central Business District. In 1994, off-budget funding amounted to the equivalent of an additional half per cent of GDP, putting real defence spending in that year at around 2 per cent.[39]

Even at 2 per cent of GDP, defence spending in Indonesia is lower than most other states in East Asia and is clearly insufficient to provide the increase in capability which ABRI would need in order to build a credible deterrent against the kind of moderately-equipped, conventionally armed adversary it might expect to be pitted against in any future regional conflict. At current levels of spending, it is also doubtful whether Indonesia can provide adequate protection and surveillance of its newly acquired territorial seas and EEZ against a range of non-military threats which are already adversely affecting national security. To achieve a "sufficient" level of capability for both these tasks, defence spending would probably have to rise to around 4 per cent of GDP and remain at that level for at least a decade.[40]

Little attempt has been made to assess the appropriate mix of forces which Indonesia will need for the future. There is scant evidence of an effective planning process, which correlates budget spending with strategic policy and force structure, and there is no overarching strategic documentation. Defence purchases are, more often than not, based on political factors, or the personal whims and inclinations of the officers and officials responsible for financial management and procurement. Increasingly, Habibie has become a central player in the defence acquisition process in his capacity as head of the Strategic Industries Group. However, his decisions are driven more by the need to nurture these strategic industries as a means of furthering national development, rather than by military logic. The purchase of the 39 former East German ships is a classic illustration of how decisions based on non-strategic considerations not only distort defence planning, but saddle the Armed Forces with systems and equipment that they do not want and which do little to improve Indonesia's defence capability.[41] Indeed, as Murdani himself concedes, Indonesia has yet to develop a system where operational and procurement decisions logically follow from assessments of the strategic environment and identification of the most likely external threat contingencies.[42]

These funding and procurement weaknesses are directly linked to a number of other structural problems. A large part of ABRI's human and financial resources is still devoted to the demands of internal security and the Armed Forces' socio-political role, which is primarily an army function — an acknowledgement of the historically important political role that the Army has played in Soeharto's New Order government. The Army is the pre-eminent service numerically, as well as politically, with about 212,000 personnel, or about 75 per cent of the total armed forces strength of 280,000. The Air Force has about 24,000 and the Navy 42,000, including 12,000 marines.[43] While such numerical relativities are not atypical for continental powers, for an avowed archipelagic state like Indonesia with preponderant maritime interests, one would expect the Navy and Air Force to receive a greater share of the human resources, as well as be better represented in defence decision-making. This is unlikely to happen while the ABRI high command continues to be dominated by the Army and the Army's agenda.[44] However, as external security concerns impinge more sharply and frequently on the national security planning process, there will be growing pressure on the government to increase the proportion of Navy and Air Force officers in the senior ranks of the Armed Forces leadership, and to redistribute defence resources where they are most needed — maritime protection and surveillance.

The ABRI leadership is not unaware of some of these shortcomings. In the early part of his tenure as Armed Forces Commander, Murdani sought to put ABRI onto a more professional footing, reducing the number of Military Regions and eliminating some of the inter-service rivalry which had been endemic in earlier periods. Murdani accepts that ABRI's preoccupation with internal stability and regime maintenance will gradually diminish, allowing officers to devote more time to the military aspects of their calling. Current Defence Minister, Edi Sudradjat, and Armed Forces Commander, General Feisal Tanjung, have also talked about the need to modernize and professionalize ABRI, and there have been some modest improvements in ABRI's capacity to conduct tactical level military exercises with Australia, the United States and its ASEAN neighbours.[45] Nevertheless, much of this training and defence co-operation is of more political and symbolic importance than military value. In a characteristically frank admission, which illustrates how little time is devoted to matters of strategy and defence by senior officers and officials of the Ministry of Defence and Security, Murdani confessed that he spent on average only about 30 minutes of each day on strictly military affairs as Armed Forces Commander and Minister for Defence.[46]

Maritime Protection

Of all the problems which detract from Indonesia's ability to defend its vital national security interests, none is more serious than the growing gulf between Jakarta's declared commitment to its Archipelagic Concept (*Wawasan Nusantara*) and ABRI's manifest inability to adequately safeguard and monitor Indonesia's maritime resources and territorial seas. Like Total People's Defence, Indonesia's Archipelagic Concept has its roots in the formative experiences of the fledgling post-colonial state. Historically, Indonesians have emphasized the unity between the water and the land in their far flung archipelago, which finds expression in the Indonesian term for the state — *tanah air kita* — meaning "our land and waters".[47]

Although the notion that the sea constitutes an integral part of the Indonesian state was first proclaimed in the Djuanda Declaration of 1957,[48] the strategic importance of the waterways and straits which define and intersect the Indonesian archipelago was inculcated into the minds of the political and military leadership by three events of seminal importance. They were the struggle against secessionist movements in Sumatra and Sulawesi in the late 1950s, the conflict with the Dutch over West Irian in the early 1960s, and the period of Confrontation with the newly declared state of Malaysia in the mid-1960s.[49] In each of these conflicts, the need to exercise control over the major straits and endogenous waterways for resupply, infiltration and communications was recognized as being vital to the successful prosecution of the respective campaigns, a lesson that was not lost on later generations of Indonesian political and military leaders. In 1966, ABRI developed and refined the thinking behind the Djuanda Declaration in a strategic document which was the forerunner of the Archipelagic Concept. This document, *Wawasan Nusantara Bahari*, for the first time explicitly recognized the importance of Indonesia's geostrategic location at the maritime crossroads of Southeast Asia, which was seen as both a vulnerability and an opportunity for strategic control and leverage.[50]

The signing of the 1982 United Nations Convention on the Law of the Sea (UNCLOS), which extended territorial seas and introduced the notion of 200 nautical mile exclusive economic zones (EEZs), as well as the spectacular growth in regional trade, have only served to reinforce the importance of the archipelagic sea-lanes in the eyes of the Soeharto government. As a result of UNCLOS, Indonesia has gained an additional 3 million square kilometres of territorial waters as well as jurisdiction over another 3 million square kilometres of EEZ, effectively tripling the size of the maritime area over which Jakarta has responsibility for resource management and policing.[51] UNCLOS has also greatly increased the number of borders which Indonesia shares with neighbouring states, many of which are still disputed as a consequence of different national interpretations about how maritime boundaries should be calculated.[52]

Economically, Indonesia is highly dependent on the sea. In 1994, well over 90 per cent of its trade (accounting for 41 per cent of its GDP) passed through the Malacca Strait, and the three major alternative routes of the Karimata/Sunda, Makassar/Lombok, and Wetar/Ombai Straits.[53] Because of the high costs associated with air links, and the absence of overland transport options, Indonesia has invested a great deal of oil and gas infrastructure in, or in proximity to, these waterways, and they are an integral and vital part of the nation's internal lines of communication and transport,[54] Jakarta therefore has compelling economic, as well as strategic, interests for exercising control over these straits and ensuring the safety of navigation. It is these interests which are behind the government's attempts to restrict naval and merchant shipping through the archipelago to three north-south routes — Karimata/Sunda, Makassar/Lombok and Wetar/Ombai.[55] Jakarta is determined to protect its status as an archipelagic state by enforcing its sovereignty over what are regarded as internal waters, a policy which, if successful, would allow ABRI to concentrate its limited surveillance resources. The government is also concerned about accidental damage to the growing network of undersea communication cables that criss-cross the main islands, as well as to the offshore oil and gas platforms which dot the surrounding water, particularly the Java Sea.[56]

Indonesia has been further sensitized to the strategic value of its archipelagic straits by two other developments. One is the ABRI belief that the Navy and Air Force will never be able to provide adequate maritime security for the nation while foreign warships and submarines continue to have untrammelled passage through the archipelago.[57] The other is the changing emphasis in current naval warfare theory away from oceanic sea control towards naval support of land operations and greater control of focal areas and choke-points.[58] The Malacca Strait and the alternative Sunda and Lombok passageways are now recognized as being among the world's most critical choke-points, and of vital concern to virtually all the states of East Asia, as well as the major maritime nations.

Apart from these key choke-points, the maritime area of greatest sensitivity to Indonesia at present is a previously little known island group called the Natunas, and its surrounding EEZ. A chain of 300 islands and atolls mid-way between Kalimantan and the Malay Peninsula, and over 1,100 kilometres north of Jakarta, the strategic importance of the

Natunas has increased significantly in recent years for two principal reasons. The first is that the Natunas lie just to the south of the disputed Spratly Islands. Doubts about the nature and extent of China's territorial claims in this part of the South China Sea is a major source of concern to ABRI, notwithstanding China's assurances that it does not contest Indonesia's sovereignty over the Natuna Island group.[59] In mid-1996, following China's ratification of UNCLOS, the Indonesian Government sent an official note to Beijing protesting against China's decision to demarcate its claim in the South China Sea by declaring co-ordinates for a straight baseline system from the mainland and the Paracel Islands. The Indonesian note argued that the newly drawn line violated the spirit of the Convention and warned that if China were to draw a similar base line in the Spratlys, "such a move would be considered provocative" by Jakarta.[60]

The second reason for Indonesia's growing sensitivity over the Natunas is that the island group's EEZ encompasses one of the world's largest offshore gas fields, containing an estimated 1.27 trillion cubic metres of recoverable gas, which represents 40 per cent of all Indonesian gas reserves.[61] A US$35 billion joint venture was signed in January 1995 between Exxon Corporation and Indonesia's state oil company Pertamina to exploit the fields. Production is expected to begin in 2003 from eighteen offshore platforms and six gas liquefaction trains on Greater Natuna Island.[62] The potential vulnerability of this massive developmental project to any future conflict in the South China Sea was dramatically brought home to Indonesia by the 1994 Chinese occupation of Mischief Reef in the adjacent Spratly Islands. Jakarta has since taken a number of steps to improve its ability to provide surveillance and protection of the Natunas by increasing the frequency of air patrols from the Ranai airbase on Greater Natuna, and by beefing up its small military garrison and civilian population of 2,600.[63] In September 1996, ABRI also staged its biggest ever combined forces exercise in the South China Sea, involving nearly 20,000 troops, 40 aircraft and 50 naval vessels, which an Indonesian military spokesman described as "ensuring security for the development of the mega project in the Natunas".[64] What the spokesman did not say was that the exercise was clearly meant as a warning to China that Indonesia would not tolerate any Chinese attempt to encroach upon the Natuna gas field or Indonesia's contiguous EEZ.

However, despite these measures, given the isolation of the Natunas and Indonesia's modest power projection capabilities, ABRI currently has limited ability to provide adequate protection of the

Natuna gas fields against a range of possible threats, including sabotage, terrorism or low-intensity conflict of the kind already witnessed in the Spratly and Paracel islands to the north. Nor does ABRI have the capability to enforce its control over its own territorial waters against even a modestly equipped adversary, let alone its 200-mile EEZ. The Indonesian Navy is still primarily a coastal defence force, with a mix of vessels from several countries, of varying age and quality, which imposes significant operational and logistic penalties. Few of these vessels have the range, or the weapons systems and electronic support suites to compete with several of the more modern regional navies, and the Navy has virtually no air defence capability. The fleet air-arm can transport only about 100 combat laden marines in one lift.[65] Moreover, the Air Force, though significantly increasing its maritime surveillance capability,[66] is a long way from providing effective surveillance of the Natuna's EEZ, the Malacca Strait, or the major gateways to the Java Sea.

Conclusion

The problem which Indonesia has in protecting its interests in the Natunas and, more generally, in giving strategic substance to its Archipelagic Concept is a microcosm of the broader dilemma it will face as its security policies become more externally oriented in the next century. The pressures on Indonesia to come to terms with the rapidly changing external security environment are increasing as a result of a new set of strategic dynamics and relationships, which have rendered obsolescent those of the Cold War era, and compelled the states of Southeast Asia to take on much greater responsibility for the security of their own region. To suggest that Indonesia will only begin to seriously address external security once it has reached a more mature stage of development as a state, misses the point. It is not a choice between the "here and now" realities of internal security and less pressing external contingencies. The fact is that Indonesia already faces a range of strategic challenges which have just as much capacity to threaten Indonesia's integrity as a state, and the welfare of its citizens, as those of an internal nature.

While Indonesia professes to pursue a comprehensive approach to security, its strategic doctrine has clearly failed to evolve and adjust to the demands and challenges of the regional security environment of the 1990s. There are major discontinuities between declaratory policy, force structure and operational capabilities. Because of the long lead times necessary to build up conventional forces, the longer Indonesia delays in addressing these problems, the more difficult it will be to rectify them. The focus of Indonesia's defence strategy will inevitably shift, over time, from territorial defence to maritime protection. The transition has already begun, but it is embryonic, hesitant, and hostage to the dictates of HANKAMRATA, a doctrinal "albatross" which will continue to retard the development of a strategy more consonant with Indonesia's future security needs.

Jakarta will also have to rethink its traditional eschewal of multilateral defence co-operation for two reasons. First, Southeast Asia is already well on the road to becoming a security community,[67] a process which will inevitably stimulate the development of closer regional defence ties beyond the existing network of bilateral defence relationships. Secondly, many of the security challenges which Indonesia will have to deal with in the twenty-first century are transnational in nature, and cannot be resolved unilaterally, or even bilaterally. This applies equally to non-military threats, such as piracy and illegal migration, as well as to more conventional security issues, such as competing territorial and resource claims in the South China Sea. One can expect Indonesia to focus more on the external dimension of security in the coming years, as these issues begin to assume a higher priority in the decision-making councils of government and the armed forces.

While some will find it reassuring that Indonesia's capacity to project military power is circumscribed by its doctrinal, budgetary and force structure weaknesses, Indonesia has as much right as any country to protect its legitimate defence interests. Indeed, Indonesia's Southeast Asian neighbours regard ABRI as having a vital regional security role to play in defending the archipelago and its adjacent sea lanes from external attack. However, because its force structure decisions and defence purchases are often unrelated to objective strategic realities, there is always a risk that other states will misperceive or misunderstand the basis of Indonesia's strategy. Such misunderstandings would be less likely to occur if Indonesia were to formulate and articulate a defence strategy consistent with the realities of its security environment.

NOTES

1. Colin Gray, "A Debate on Geopolitics: The Continued Primacy of Geography", *Orbis* 40, no. 2 (Spring 1996): 248–49.
2. See Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (London: Fontana Press, 1989), p. 111.

3. This is the figure used by the Indonesian Government. Other estimates differ, and range as low as 13,000 islands.
4. World Bank projections cited in *Expanding Horizons: Australia and Indonesia into the 21st Century,* Report prepared by the East Asia Analytical Unit (Canberra: Department of Foreign Affairs and Trade, 1994), p. 23.
5. This depends on the outcome of China's claim to the Spratlys. See Michael Richardson, "China's push for sea control angers ASEAN", *The Australian*, 23 July 1996.
6. Soewarso Hardjosoedarmo, "Masalah Keamanan Regional", *Telstra,* no. 24 (September–October 1993), p. 49.
7. For example, in 1993, Indonesian Air Force Commander Rilo Pambudi declared that Indonesia expected no "foreign threats to national security" in the next ten years. "Air Marshal Says No Outside Threats In Next Ten Years", *Indonesian Observer,* 12 July 1993.
8. The doctrine of *dwifungsi* was first articulated by former Army Commander General A.H. Nasution in November 1958 as a result of the Army leaderships' concerns about the growing influence of the Indonesian Communist Party and the outbreak of secessionist movements in Sumatra and Sulawesi. *Dwifungsi* became enshrined in law in 1982, and it still strongly influences ABRI's security approach and thinking, although younger officers are more inclined than their elders to the view that ABRI must eventually become less directly involved in socio-political affairs and more focused on professional military development. For a lucid account of the role of *dwifungsi* in Indonesian society, see David Jenkins, *Soeharto and His Generals* (Ithaca: Cornell, 1984).
9. The best detailed analysis of Indonesia's threat perceptions can be found in Bob Lowry, *Indonesian Defence Policy and the Indonesian Armed Forces,* Canberra Paper on Strategy and Defence No. 99 (Canberra: Strategic and Defence Studies Centre, ANU, 1993), pp. 9–16; and his forthcoming book, *The Armed Forces of Indonesia* (St. Leonards, NSW: Allen and Unwin, 1996), pp. 3–6.
10. This analysis is based on interviews with senior serving and retired Indonesian officials and ABRI officers.
11. See Soedjati Djiwandono, "Process of Comprehensive Security: An Indonesian Perspective" (Paper presented at the Council for Security Cooperation in Asia and the Pacific (CSCAP) Working Group on Comprehensive and Cooperative Security, 21–22 March 1996, Wellington, New Zealand), p. 11.
12. Ian McFarling, *The Dual Function of the Indonesian Armed Forces: Military Politics in Indonesia* (Canberra: Australian Defence Studies Centre, 1996), p. 133. Indonesia's first ever Defence White Paper has two paragraphs on threat perceptions, stating that Indonesia "has never regarded any particular country as its enemy or potential enemy". *The Policy of the State Defence and Security of the Republic of Indonesia 1995* (hereafter cited as *Defence White Paper 1995*), p. 15.
13. Indonesian police and immigration officials interviewed cite the existence of organized criminal gangs who smuggle illegals mainly from China and Hong Kong to Indonesia, either as a final destination or as a transit point for onward movement to third countries.
14. *Defence White Paper* 1995, p. ii.
15. Murdani, cited in Bilveer Singh, *ABRI and the Security of Southeast Asia: The Role and Thinking of General L. Benny Moerdani* (Singapore Institute of International Affairs, 1994), p. 124.
16. The Western Fleet is also beginning to step up its activities against piracy,

smuggling and pollution in the Malacca Strait, in conjunction with the Singaporean and Malaysian navies. According to Navy Chief, Vice Admiral Arief Kushariadi, the Western Fleet has "foiled attempts to smuggle several thousand Indonesian workers to Malaysia". "Navy to intensify war against smuggling", *Jakarta Post*, 22 March 1996.

17. These activities are now the responsibility of the Coordinating Agency for Maritime Security (Badan Koordinasi Keamanan Laut).
18. See, for example, the comments of former Australian Foreign Minister, Gareth Evans, who said that the Agreement should be seen in the context of regional security. "It's to deal with issues like terrorism and narcotics and piracy and other externally derived sources of instability of this kind", *Weekend Australian*, 16–17 December 1995. Of course, there were many other reasons for the signing of the Agreement. For an analysis of them and the significance of the Treaty for Indonesia, see Alan Dupont, "The Australia-Indonesia Security Agreement", *Indonesian Quarterly* 24, no. 2, (Second Quarter 1996): 195–206.
19. For an informative overview of the maritime dimension of security in Southeast Asia, see Sam Bateman and Dick Sherwood, eds., *Strategic Change and Naval Roles: Issues for a Medium Naval Power*, Canberra Papers on Strategy and Defence No. 102 (Canberra: Strategic and Defence Studies Centre, 1993), pp. 39–42.
20. Interview with a senior advisor to Indonesia's Minister of Defence and Security, Rear Admiral R.M. Sunardi, 13 June 1996.
21. Although there are many books and publications on the socio-political role of the Armed Forces, there are still major gaps in the literature on Indonesia's external security perceptions and defence policy. The most useful recent publications pertaining to Indonesia's external security are those by Mutthiah Alagappa, "Comprehensive Security: Interpretations in ASEAN Countries", in *ASEAN Security Issues: Regional and Global*, edited by Robert Scalapino et al (Berkeley: University of California Institute of East Asian Studies, 1982), especially on Indonesian concepts of security; Mak Joon Num, *ASEAN Defence Orientation 1975-1992: The Dynamics of Modernisation and Structural Change*, Canberra Papers on Strategy and Defence No. 103 (Strategic and Defence Studies Centre, Australian National University, 1993), pp. 57–73; Singh, *ABRI and the Security of Southeast Asia;* and Lowry's two publications already cited. Lowry's forthcoming book is the most comprehensive and complete study of ABRI and Indonesia's defence strategy and capabilities to date. The best general accounts of Indonesian foreign policy are those by Michael Leifer, *Indonesia's Foreign Policy* (London: Allen and Unwin, 1983), and more recently, Dewi Fortuna Anwar, *Indonesia in ASEAN: Foreign Policy and Regionalism* (Singapore: Institute of Southeast Asian Studies, 1994). Michael Vatikiotis has also written a succinct and illuminating analysis of Indonesian foreign policy. See "A Giant Treads Carefully: Indonesia's Foreign Policy in the 1990s", in *East Asia in Transition: Toward a New Regional Order*, edited by Robert S. Ross (Armonk, New York: M.E. Sharpe, 1995), pp. 216–33.
22. There have been few studies of this nature by any of the influential military or civilian think-tanks, including the Center for Strategic and International Studies (CSIS), the Institute for Sciences (LIPI), the Army Command and Staff College (SESKOAD), the National Defence Institute (LEMHANAS), and the National Defence and Security Council (WANHANKAMNAS). Interview with Dr Dewi Fortuna Anwar, LIPI, 9 November 1995.
23. On this subject, see Sayidiman Suryohadiprojo, "The Territorial Defence Concept", *Indonesian Quarterly* 1, no. 4 (July 1973).

Gurukul Kangri Vishwavidyalaya

24. National resilience does not really address Indonesia's external security environment, although the extended concept of regional resilience does. For an explanation of national resilience, see Alagappa, "*Comprehensive Security …*", pp. 58–62. Defence Minister Murdani emphasized the importance of developing around Indonesia a *cordon sanitaire* of strong, like-minded states linked by a dense web of co-operative relationships. According to Murdani, a *cordon sanitaire* would buy Indonesia sufficient time to prepare a counter-attack against an enemy invasion. Benny Moerdani, *Upholding the Unity of the Nation: Vision and Views of General of the Army (Ret) L.B. Moerdani 1988–1991* (Jakarta: Yayasan Kejuangan Panglima Besar Sudirman, 1993), p. 187. Murdani also re-emphasized HANKAMRATA and explicated the notion of defence-in-depth. Ibid., pp. 56 and 203.
25. This is referred to as the Defence Buffer Zone (*Daerah Pertahanan Penyanggah*). Lowry, *The Armed Forces of Indonesia*, p. 29.
26. In the early 1990s, some naval officers including the head of the Navy, Admiral Tanto Koeswanto, advanced the notion of an Archipelagic Defence Strategy (Strategi Pertahanan Nusantara), but it is not clear how this strategy is meant to fit into ABRI's existing doctrine and, as Lowry observes, the operational details are not well developed. Ibid.
27. A foreign student on a course at SESKOAD in the early 1990s described how, during a training exercise, Indonesian officers were taught to clear a minefield employing local villagers rather than using modern mine-clearing methods and equipment. Cited in Michael Vatikiotis, *Indonesian Politics Under Soeharto: Order, Development and Pressure for Change* (London: Routledge, 1993), p. 63.
28. Anthony Milner, ed., "Perceiving National Security", *Australian-Asians Perceptions Project*, Working Paper Number 5 (Academy of the Social Sciences in Australia and the Asia-Australia Institute, University of New South Wales, April 1994), p. 8.
29. Brunei was later included in *ASEAN Kecil*. There are some echoes of the notion of *ASEAN Kecil* in the much earlier, but subsequently aborted MAPHILINDO concept, but the idea as developed by ABRI in the 1980s was a novel and quintessentially Indonesian response to the realities of the strategic environment of the 1980s. Murdani appears to have also been motivated by his desire to ensure that Malaysia did not attempt to pursue a Muslim alliance with Indonesia which in his view would have risked creating unnecessary tensions with Singapore.
30. It is clear, however, that many officials of the Indonesian Foreign Ministry do not subscribe to the concept. But, it is ABRI, and not the Foreign Ministry, which implements security policy, and in order to ensure that ABRI has a major input into Indonesia's bilateral relations with its closest ASEAN neighbours, the Ministry of Defence and Security traditionally appoints ambassadors to these states from within its own ranks.
31. Murdani, cited in Bilveer Singh, "Indonesia's Defence Strategy after the Cold War", *Asian Defence and Diplomacy* (December 1994/January 1995), p. 42.
32. This account of the development of *ASEAN Kecil* is based primarily on interviews with senior serving and retired ABRI officers, including former Defence Minister, Benny Murdani.
33. Lowry, *The Armed Forces of Indonesia*, p. 3. See also Singh, *ABRI and the Security of Southeast Asia*, p. 80; and Ulf Sundhausen, *The Road to Power: Indonesian Military Politics 1945–67* (Kuala Lumpur: Oxford University Press, 1982), p. 243. CADEK is the Indonesian acronym for Catur Darma Eka Karma, the Sanskrit-based Javanese words meaning "one task, four missions" — the one task being to defend Indonesia and the four missions refer to the single service missions of the Army, Air

Force, Navy and Marines. Indonesian defence planners divide the world into three strategic zones or circles. The inner zone of vital security interest incorporates the founding members of ASEAN (Indonesia, Singapore, Malaysia, Thailand and the Philippines), plus Brunei; the second zone, or area of prime security interest, the rest of Southeast Asia, Australia and Papua New Guinea; and the remainder of the globe falls into a third zone of lesser interest. Singh, *ABRI and the Security of Southeast Asia*, p. 83.

34. On this point, see Lowry, *The Armed Forces of Indonesia*, pp. 54–60, and pp. 81–85.
35. See Colin East, "ABRI Faces Challenges", *Asia-Pacific Defence Reporter*, February–March 1993, p. 9.
36. Occasionally, senior Indonesian officers provide revealing insights into the more aggressive operational tactics which ABRI seems prepared to countenance should it be involved in a regional conflict. In early 1996, for example, Navy Chief Vice Admiral Arief Kushariadi, asserted that the Western Fleet "must be able to launch a pre-emptive strike if necessary". "Navy to intensify war against smuggling", *Jakarta Post*, 22 March 1996.
37. Hasnan Habib argues that sub-regional co-operation makes a lot more sense in an expanded ASEAN. Low-key, multilateral defence co-operation could complement steps already taken to develop sub-regional economic co-operation through growth triangles like SIJORI, which links Indonesia, Malaysia and Singapore. Interview with Indonesia's Ambassador-at-Large for the Non-Aligned Movement, Lieutenant General (ret.) Hasnan Habib, 12 June 1996.
38. See Desmond Ball and Pauline Kerr, *Presumptive Engagement: Australia's Asia-Pacific Security Policy in the 1990s* (Allen and Unwin, in association with the Australian Foreign Policy Publications Programme and the Department of International Relations, RSPAS, ANU, Canberra, 1996).
39. My own calculation, based on interviews with Indonesian, Australian and Singaporean defence officials and strategic analysts in 1995 and 1996.
40. The budgetary short-fall is even more serious when one considers that as much as 30 per cent of it is lost to corruption in the form of bribes and "personal commissions", an estimate made by one of Indonesia's leading economists, Dr Sumitro Djojohadikusumo. See Lowry, *The Armed Forces of Indonesia*, p. 227, footnote 34, and his comments on the defence budget, pp. 23–25.
41. John McBeth, "Techno-Battles: Habibie's sway over weapons purchases irks military", *Far Eastern Economic Review* (hereafter cited as *FEER*), 7 April 1994.
42. Interview with former Defence Minister, Benny Murdani, 7 November 1995.
43. Figures taken from "South China Sea: Indonesia Country Profile", *Jane's Sentinel* (London: Jane's Information Group, 1995).
44. The Armed Forces Commander (PANGAB) has always been an Army Officer.
45. John B. Haseman, "New hope for change in Indonesia", *Jane's Defence Weekly*, 7 January 1995, pp. 21–22.
46. Interview with former Defence Minister, Benny Murdani, 10 June 1996.
47. Hasnan Habib, "Technology for National Resilience: The Indonesian Perspective", in *New Technology: Implications for Regional and Australian Security*, edited by Desmond Ball and Helen Wilson, Canberra Papers on Strategy and Defence No. 76 (Canberra: Strategic and Defence Studies Centre, 1991), pp. 63-64. See also Hasjim Djalal, "The Concept of Archipelago Applied to Archipelagic States", *Indonesia and the Law of the Sea* (Jakarta: Centre for Strategic and International Studies, 1995), p. 294.

48. The impetus for the Declaration was Indonesia's attempt to restrict the freedom of movement of the Dutch fleet, which from bases in present day Irian Jaya was able to freely traverse through "the many pockets of international waters within the archipelago". Dino Patti Djalal, "Innocent passage policy raises debate", *Jakarta Post*, 18 September 1992.
49. On this point, see Singh, *ABRI and the Security of Southeast Asia*, p. 48.
50. A useful explanation and account of how the doctrine of *Wawasan Nusantara* came to occupy a central place in Indonesian strategic thinking can be found in Dino Patti Djalal, "The Geopolitics of Indonesia's Maritime Territorial Policy", *Indonesian Quarterly* 24, no. 2 (Second Quarter 1996): 102–12.
51. John McBeth, "Water of Strife", *FEER*, 29 February, 1996. See also Michael Richardson, "World treaty on sea and its bed muddy waters", *The Australian*, 9 April 1996. Indonesia's rights and responsibilities as an archipelagic state were passed into law by the House of Representatives on 1 July 1996 under the 27 articles of the Law on Indonesian Territorial Waters. "House passes law endorsing the archipelagic state concept", *Jakarta Post*, 2 July 1996.
52. Mak Joon Num, "ASEAN Maritime Insecurity: Contingency Planning in an Uncertain World", *International Defense Review-Defense '95*, p. 58. See also Mark Valencia, *Malaysia and the Law of the Sea: The foreign policy issues, the options and their implications* (Institute of Strategic and International Studies, Malaysia, 1991), p. 12.
53. Henry J. Kenny, "An Analysis of Possible Threats to Shipping in Key Southeast Asian Sea Lanes", Occasional Paper (Virginia: Center for Naval Analyses, Alexandria, February 1996), p. 17, Table 4. For a detailed description of the characteristics of these straits and their significance to Indonesia, see Hasjim Djalal, "Choke Points: The Straits and the Archipelagoes", in *Indonesia and the Law of the Sea*, pp. 356–58.
54. Soewarso Hardjosoedarmo, "Prospek Kerjasama Keamanan di Asia Tenggara", *Telstra*, No. 30 (September–October 1994), p.65. More than 270 ships pass each day through the Malacca Strait. Paul Beaver, ed., "Choke Points: A Cause for Concern", *Jane's Sentinel* (South China Sea Newsletter) 1, no. 9 (1994), p. 1.
55. Currently, there are about 17 recognized sea-lanes through the Indonesian archipelago, which the United States, among others, wants to see maintained. David Lague, "Australia to fight shipping bans", *Sydney Morning Herald*, 11 April 1996. See also John McBeth, "Water of Strife", *FEER*, 29 February 1996.
56. Based on an interview with former Defence Minister, Benny Murdani, 10 June 1996.
57. The Makassar/Lombok and Wetar/Ombai straits are of particular concern to ABRI, because they are the most suitable passageways for submarines because of their depth. Djalal, "Choke Points: The Straits and the Archipelagoes", in Djalal, *Indonesia and the Law of the Sea*, pp. 357–58.
58. Sam Bateman, "Old Wine in New Bottles? Maritime Strategy in the Asia Pacific", *Journal of the Australian Naval Institute*, May/July 1995, pp. 13–14.
59. See Djalal, "Conflicting Territorial and Jurisdictional Claims in the South China Sea", in *Indonesia and the Law of the Sea*, p. 375, and "Clarification of PRC Maritime Maps Sought", FBIS-EAS-95-067, 7 April 1995. The publication of a Chinese map showing the South China Sea enclosed by a dashed line representing an ill-defined boundary but with two segments drawn close to the Natunas, has added to the uncertainty about the nature and extent of China's claims, which have yet to be satisfactorily resolved from Indonesia's point of view. For a detailed analysis of the

Chinese claims, see Greg Austin, *China's Ocean Frontier: International Law, Military Force and National Development* (Allen and Unwin in association with the Department of International Relations, RSPAS, ANU, Canberra, forthcoming), pp. 123–125.

60. Ruriko Hatano Yomiuri, "Indonesia to stage massive military drill", *Daily Yomiuri*, 24 August 1996.
61. Kenneth L. Whiting, "Concerns over another gas-rich island group", *Sydney Morning Herald*, 18 May 1995. See also Donald Emmerson, "Indonesia, Malaysia, Singapore: A Regional Security Core?" in *Security Challenges in Southeast Asia: Enduring Issues, New Structures*, edited by Richard J. Ellings and Sheldon W. Simon (Armonk, New York: M.E. Sharpe, 1996), p. 13.
62. *Jakarta Post*, 27 July 1995, and 15 March 1996. Indonesia is also developing the much smaller Beida oil and gas field some 200 kilometres west of the Natunas. "Soeharto opens Conoco oil field in South China Sea", *Jakarta Post*, 9 December 1992.
63. Patrick Walters, "Jakarta fears Chinese move on gas field", *Weekend Australian*, 4 March 1995; and "Air Surveillance in South China Sea Intensified", *Suara Karya* in FBIS-EAS-95-071, 13 April 1996. The 2,250-metre runway at Ranai can take F-5 fighter aircraft, and Boeing 737-200 Maritime Patrol Aircraft.
64. Michael Richardson, "Natural gas is prize in war games", *The Australian*, 27 August 1996. See also "Armed Forces to stage major military exercises", *Jakarta Post*, 21 August 1996; and Patrick Walters, "Indonesia to stage huge exercise in South China Sea, *Weekend Australian*, 24–25 August 1996.
65. Lowry, *The Armed Forces of Indonesia*, p. 99.
66. As of 1995, Indonesia had three Boeing 737 Surveillers, and six CN-235 maritime patrol aircraft on order. Ibid, p. 100.
67. In the sense that there are "implicit or explicit principles, norms, rules and decision-making procedures" around which the expectations of the region's members are converging. Stephen Krasner, "Structural Causes and Regime Consequences: Regimes as Intervening Variables", in *International Regimes*, edited by Stephen Krasner (New York: Cornell University Press, Ithaca, 1983), p. 2. On the question of whether or not Southeast Asia is developing into a security community, see Amitav Acharya, "A Regional Security Community in Southeast Asia?", in *Journal of Strategic Studies* 18, no. 3 (September 1995): 175–200; and Sheldon Simon "The Regionalization of Defence in Southeast Asia", *Pacific Review* 5, no. 2 (1992), especially p. 122.

Alan Dupont is a Fellow at the Strategic and Defence Studies Centre, Australian National University, Canberra.

Contemporary Southeast Asia, Volume 18, Number 3, December 1996

Human Rights and Democracy in Indonesia and Malaysia: Emerging Contexts and Discourse

---

PHILIP ELDRIDGE

Despite some convergence, differences are evident between state and non-state perspectives in Indonesia and Malaysia. Both governments perceive threats to national stability and social harmony from too rapid political liberalization.

Counter-discourse in Indonesia can be divided into two broad streams. The first seeks to fuse liberal-democratic institutions with more open versions of Pancasila ideology; the second to link socio-economic with political transformation. Official responses combine repression with absorption of liberal democratic concepts into "integralist" versions of Pancasila.

Reform efforts in Malaysia centre on applying consistent "rule of law" principles to established "Westminster"-type democratic institutions. However, the non-state sector enjoys relatively limited space, while various internationally-oriented and Islamic agendas diffuse energies for domestic reform.

Introduction

This brief overview will identify major strands emerging from current debates concerning human rights and democracy in Indonesia and Malaysia. These will be set against the broad political context of each country, with particular reference to emerging trends in popular mobilization. In order to reduce the risk of imposing external normative frameworks on such a sensitive field, ideas have been drawn predominantly from local and regional sources.

The articulation of issues is unique to each country, but it must also be understood in relation to a broader "Asian values" discourse. Despite conflicting opinions about the substance and significance of the "Asian values" debate, themes arising from it have remained politically powerful and pervasive. While notions of democracy and human rights are distinct, they tend in practice to be treated as equivalent in this context. To be more precise, "Asian values" protagonists see "Western" understandings of both human rights and democracy as associated with a dominant liberal-individualist ideology. Conversely, official Asian concepts of democracy are linked to understandings of human rights stressing economic development, harmony, national unity and autonomy. At the same time, those Westerners who respond positively to Asian states' emphasis on economic development, run the opposite risk of marginalizing value questions as mere functions of economic trends rather than treating them seriously in their own right.

The core of contention in defining human rights in this context centres on two issues. The first relates to the priority accorded to civil and political relative to economic, social and cultural rights. Both streams of thought are reflected in the 1948 United Nations Declaration on Human Rights (U.N. DHR). They were further spelled out in two major U.N. Conventions adopted by the U.N. General Assembly in 1966 — the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR). Both aspects are fundamental to human dignity and were never intended to be separated. Partly as a by-product of the Cold War, they have proved to be a bitter source of conflict between the West and the Third World, with the former emphasizing the rights of personal and associational freedom and the latter, the goals of economic development, national unity and sovereignty. Opinions differ on whether these goals are complementary or in conflict, depending in part on the stress placed on popular participation relative to authority, and leadership in achieving developmental goals. It can also be argued that goals of distributive justice are served by popular empowerment. Conversely, they can be negated by vested interests capturing the political process.

A related dispute centres on whether human rights are to be seen as universal or relative. This issue was highlighted during the process of global consultation on human rights, sponsored by the United Nations in 1993, which culminated in a joint Declaration and Programme of Action in Vienna in June 1993.[1] Part I, Section 5 of the Declaration resolved that "... all human rights are universal, indivisible, and interdependent and interrelated ... while the significance of national and regional particularities and various historical, cultural and religious backgrounds must be borne in mind, it is the duty of States, regardless of their political, economic and cultural systems to promote and protect all human rights and fundamental freedoms".[2]

This final resolution ran directly counter to the strongly relativist position adopted by Asian governments at their United Nations regional consultation in Bangkok from 29 March to 2 April 1993. However, it closely reflected the position of Asian non-governmental organizations (NGOs), which had held a parallel consultation. Thus, while in theory the Vienna Declaration could help bridge the gap between two falsely opposed concepts of human rights, the lack of real consensus will cause continuing aloofness by many Asian governments from international human rights regimes. In that context, Indonesia, Malaysia and Singapore, for varying reasons,[3] have not yet ratified either major U.N. convention mentioned above.[4] This is also true of the United States and China.

With respect to democracy, "Asian values" protagonists claim that their concerns centre on form and interpretation rather than the principle of democracy itself, which is widely claimed as a legitimating principle by governments and participants of all political types in this debate. Thus, the idea that ultimate sovereignty resides with the people, who have a right to participate in their own self-government, is reflected, for example, in Indonesia's 1945 Constitution, which refers to people's rule and people's sovereignty (*kedaulatan rakyat*) rather than the artificially translated term *demokrasi*. Clearly, it is the claimed universality of liberal principles in defining democracy which encounter opposition from governments in the East Asian region.

This article makes no attempt to identify the origins of the "Asian values" debate. In one form, it can be traced back to national independence struggles and the post-colonial transition in the region, when human rights and democracy issues were very much to the fore, particularly in relation to questions of national self-determination. These themes recurred subsequently when many newly-independent countries found the political systems inherited from former colonial rulers inappropriate to their situation. They have been taken up in one form or another in ongoing "north-south" conflict over priorities to be accorded to different kinds of rights. The concept of "Asian values" appears to have emerged in its current form during 1993, with Kishore Mahbubani's response to Samuel Huntington's "Clash of Civilisations" thesis in *Foreign Affairs*.[5]

While Huntington's concerns were clearly global, Mahbubani's reply sought both to express frustrations felt by Singapore in its relations with the United States, and to articulate a more general ideological position, which other countries in the Asian region had felt inhibited in expressing, for diplomatic or other reasons. This exchange also coincided with a year in which Asian countries were obliged to formulate their position on human rights as part of the United Nations consultation process mentioned earlier. Malaysia, which also felt frustrated with the United States for opposing its East Asia Economic Caucus (EAEC) concept for regional co-operation, was quick to seize on the main themes in Mahbubani's argument, adding many variants of its own, including a re-working of long-standing Third World grievances against Western domination of the international economy. This theme has been further developed by Prime Minister Mahathir Mohamad and by some prominent non-state activists into a general attack on alleged ideological and cultural dominance of the "West" over the "rest".

A new variation of the "Asian values" theme has emerged in the form of pursuing an "Asian renaissance", the tone of which can be seen as self-confident and assertive rather than aggressive towards Western countries.[6] This formulation stresses the substantial contribution of Asian civilizations to universal values. It warns that while Asian countries should be discriminating in absorbing external values, they should avoid blanket rejection and extremes of relativism, which often serve to cover up internal deficiencies. The Commission's overall endorsement of democratization is balanced by emphasis on family values, social harmony, and "constructive" as against litigious, interest group-dominated democracy, thus allowing scope for corporatist cum organic state interpretations. Assertions that the human person must be the centre of concern are balanced by warnings that citizens possess both rights and duties. Strong and responsible government is a virtue, not a vice. Indeed, optimal working of a free market system demands effective government intervention. Tolerance and appreciation for pluralism represent distinctive features of Asian cultures which must be preserved in the face of globalizing trends. Corruption must be rooted out, both to maintain stability and overcome poverty.[7] While the Commission's statement represents the more "human face" of the "Asian values" agenda, such formulations remain conceptually problematic, in that the mere listing of opposites, stating broad preferences but stressing the need for balance, offers no criteria for resolving trade-offs at an operational level, thus leaving a wide scope for arbitrary interpretation by power-holders.

In the context of the "Asian values" debate, opinions vary on the importance to be attached to the United Nations framework. The only post-Vienna institutional outcome at the regional level was the Kuala Lumpur Declaration on Human Rights, adopted by the ASEAN Inter-Parliamentary Association in September 1993.[8] Though this contains key points agreed at Vienna, most of the practical arrangements for implementing and monitoring human rights have yet to be set in place. The Asian region is relatively deficient in structures which could provide appropriate institutional links with the United Nations in relation to human rights. Conflict is consequently sharper and less manageable when individual countries are named in reports of the United Nations Commission on Human Rights, or other international bodies. It is also more difficult for countries outside the region to institutionalize dialogue in this field.

While the "universal" and "indivisible" formula laid down at Vienna could well provide a framework for mutual accountability, without posing undue threats to national sovereignty, Asian governments will need to feel confident that their concerns will be given proper weight, that the spirit of neo-colonialism is truly dead, and that they can participate as equals in developing mutually acceptable international human rights regimes. At the level of practical politics, while persistent external pressures must be taken into account, internal contexts dominate policy priorities. In summary, the Vienna document has provided a frame of reference for continuing dialogue, although issues have so far only been taken up on an *ad hoc* basis.

Indonesian and Malaysian Contexts

Important élite elements in Indonesia and Malaysia now recognize the need for some democratic change, but fear potential disorder from too rapid reforms. Trends both favourable and unfavourable to democratization are evident in each country. Both are experiencing economic and technological globalization. Loosening of economic controls and consequent weakening of bureaucratic power brings hope of corresponding political liberalization, supported by communications diversity, a growing middle class and a more skilled, less hierarchically organized work-force in line with the demands of technological change. Widespread social and political mobilization is evident, particularly in Indonesia, extending well beyond the middle class. However, democratization is by no means a unilinear process and various forces of resistance remain strong in both countries.

In Indonesia, a short-lived period of "openness" (*keterbukaan*) was brought to an abrupt end in June 1994 with the banning of three popular weekly magazines — *Tempo*, *Detik* and *Editor.* Protesters and leaders of the Independent Journalists Association, formed in response to the media bans, were jailed. The lack of effective political parties remains a serious obstacle to democratization. The possibility that new parties might at least be tolerated has been quickly scotched with, first, the jailing of Pamungkas, a prime mover in the possible launching of a new Masjumi party, and the fierce crackdown on the People's Democratic Party (Partai Rakyat Demokrasi or PRD) formed by a more radical coalition, now officially labelled as communist and subversive.

The government also removed Megawati Sukarnoputri, a daughter of former President Soekarno, from the leadership of the Indonesian Democratic Party (Partai Demokrasi Indonesia or PDI), the smallest of the two official parties. The possibility of Megawati accepting nomination as a presidential candidate in 1998 had been widely canvassed. Despite having little chance of winning if President Soeharto is renominated, the precedent of a contested election could have more far-reaching consequences. Megawati's ouster led to violent demonstrations in Jakarta, culminating in the storming of the PDI headquarters and serious rioting on 27 July 1996, which the government claimed was orchestrated by the PRD. Official over-reaction and heavy-handedness in this matter have alienated much middle ground opinion, serving potentially to draw radicals and moderate reformers closer together.

As a partial substitute, or safety valve for parties, new "socio-political organisations" (*organisasi sosial politik* or *orsospol*) have emerged during the past two years, raising concerns of a return to the *aliran* politics of the past, in which religious and cultural identity were the dominating principles of social and political organization. The new groups represent a reaction to the perceived growing influence of the Indonesian Islamic Intellectuals Institute (Institut Cendekiawan Muslim Indonesia or ICMI), established in 1990. They consist largely of élites with little popular support, and are consequently viewed with a measure of tolerance by the government.

Indonesia's decision to establish the National Human Rights Commission (Komisi Nasional Hak Asasi Manusia or Komnas HAM) was to a significant extent aimed at pre-empting mounting external pressures associated with the United Nations' global review of human rights in 1993.[9] This diplomatic rationale evoked a sceptical reaction from human rights activists. However, the quality and independence of the Commission's work are now widely acknowledged,[10] though doubts remain as to its capacity to overcome deep-rooted structural obstacles to implementing human rights. The Commission enjoys good access to information and co-operation from relevant authorities, based on the high status and background of its membership. In terms of operating style, it has tended to adopt the role of mediator, albeit without authority to enforce its decisions.[11] Other problems include the lack of guaranteed funding and clear reporting structures. Potentially the most far-reaching outcome from the advent of Komnas HAM is in legitimizing human rights, as its existence negates official arguments that the very idea of human rights is the product of Western liberal thinking, in conflict with Pancasila and Indonesian identity.[12]

Another potentially significant recent initiative has been the formation of an independent committee to monitor election processes (Komite Independen Pemantau Pemilu or KIPP).[13] This has broad-based support from a cross-section of notable personalities, including journalists, lawyers, labour leaders and the former Governor of Jakarta, Ali Sadikin. Though both established parties welcomed the advent of KIPP, the government-controlled network of "functional groups" (Golongan Karya or Golkar), has questioned both its necessity and constitutional validity. On balance, the government appears willing to tolerate the new body, though with no special status or guaranteed rights to participate in or observe the election counting process. It seems unlikely that KIPP will develop into a mass-based movement similar to the National Movement for Free Elections (NAMFREL) in the Philippines. Golkar has sought to counter KIPP by establishing its own "objective" election watch team (Tim Obyektif Pemantau Pemilihan or TOPP), under the auspices of Pancasila Youth,[14] an organization with a reputation for strong-arm tactics against political opponents.

Malaysia, by contrast, has all the outward forms of a Westminster democracy, but with security laws and constitutional provisions which give the government sweeping powers. The ruling coalition National Front (Barisan Nasional), dominated by the United Malays' National Organization (UMNO) is in a seemingly unchallengeable position, confronted by an opposition which is probably weaker and more divided than at any time since Malaysia was established. While personalized explanations should be kept in perspective, the dominance of the political process by Prime Minister Mahathir limits the scope for alternative viewpoints to be widely debated. Pluralism, normally considered the essence of liberal democracy, too often takes the form, on both government and opposition sides, of asserting ethnic and religious identity rather than proposing alternative ideas and programmes.

Inter-religious and community relations have been managed with increasing success, buttressed by rapid economic growth in which most groups have felt some benefits. Since 1990, the "New Economic Policy" (NEP) explicitly favouring indigenous Malays in business, education and government has been transformed into Dr Mahathir's more inclusive "2020 Vision" of an advanced industrialized society, in which all groups are to participate harmoniously. In principle, this could favour a gradual democratic evolution. However, underlying tension between the new Malaysian (*Bangsa Malaysia*) as against the older Malay (*Bangsa Melayu*) nation concept, for many years advocated by Dr Mahathir himself, is likely to be seen by the government as justification for maintaining security powers.

The widely discussed but still covert rivalry between Prime Minister Mahathir and his Deputy, Anwar Ibrahim, seems to have opened up scope to discuss a wider range of issues. Business rivalry, including ownership of media outlets, between their respective supporters has resulted in a wider coverage of controversial issues. Subtle differences of emphasis are evident, for example, in their approaches to balancing growth and equity in economic development, security legislation and human rights generally. However, Dr Mahathir has been outspoken in attacking Islamic fundamentalism and defending the rights of Muslim women, compared with Datuk Ibrahim's more cautious approach.

Comparing Indonesia and Malaysia, legislatures remain firmly subordinate to the respective executives.[15] However, Malaysian popular representation is based on parties within the governing National Front coalition rather than functional groups. In contrast with Indonesia, the military is subordinate to civilians in Malaysia. Thus, fewer institutional obstacles exist if a clear political will for democratic reform emerges. By contrast, reformers in Indonesia are confronted with the challenge of achieving across-the-board institutional and ideological change. Forty to fifty years after independence, despite substantial economic development, ethno-religious constructions of politics and the state appear to be growing stronger rather than weaker in both countries. Concerns for national unity and stability therefore continue to obstruct democratization.

Social and Political Mobilization

Social and political mobilization outside the formal political system is broader and deeper in Indonesia compared with Malaysia, where the greater effectiveness of parties and better developed legal system has limited space for non-state groups.

In Indonesia, popular mobilization embraces a diversity of groups, including non-governmental organizations (NGOs); students; journalists, lawyers and other professionals; intellectuals; educational and religious movements. Over time, social and developmental work undertaken by

NGOs has nurtured participatory values.[16] "Scaling-up", in the form of policy advice based on field experience, has led to broader issue-based advocacy — for example, in relation to the environment, child labour, street traders, rights of women, landless peasants and workers. Movements for building awareness of legal rights, active since the 1970s, have steadily extended links with grassroots action groups. During the 1990s, newer groups have focused on political, legal and structural change, rejecting traditional NGO developmental orientation.

Despite many cross-currents, two broad streams of counter-ideology are evident, representing liberal cum social democratic and popular, mass or radical democracy respectively. While both share a common objective of reforming legal and political institutions, "popular democracy" radicals see liberal-democratic style institutions in more instrumental terms. This stream draws a good deal on Gramscian thinking, which views distinctions between state and civil society, important to liberals, as concealing the ideological "hegemony" of Indonesia's "ruling class", which must be countered in order to bring social and economic justice to the masses.

Differences can be understood by considering three networks — Forum for Democracy (Forum Demokrasi or FD), the Information Centre and Action Network for Democratic Reform (Pusat Informasi dan Jaringan Aksi untuk Reformasi or PIJAR), and the Centre for People's Democracy (Pusat Demokrasi Rakyat or PDR). The first two are oriented towards broadly liberal democratic reforms and the third to more radical structural transformation. Other organizations complementing or linking these approaches will also be considered.

Forum for Democracy, founded in 1991 with Abdurrachman Wahid as its first Chairman (*Ketua*), avoids social action and political campaigning, seeing its role as "reflective" and "contemplative".[17] Participation is intended to be inclusive, with even the military invited to take part.[18] In order to avoid being seen as anti-government, Wahid is reported to have offered a change in organizational name, but this was considered unnecessary, on the understanding that the Forum is only an informal meeting ground for the exchange of ideas.[19] The invitation to dialogue on different conceptions of democracy can be seen as "turning the tables" against official views of both the objectives and institutions of "Pancasila democracy" that it is not open to debate.

Suggestions that the Forum could play a loyal and critical role in relations with the government[20] can be seen as a form of "loyal opposition" in classic liberal-democratic terms. But it also fits well with notions of deliberation (*musyawarah*) within the framework of Pancasila democracy. Probably, the intention is to follow the line pursued by

Mohammed Hatta of balancing rights and duties, while seeking to counter dangers of an overly strong state.[21] Against this view, Fachry Ali sees Wahid's model of democracy as built on an assumption of openness between ruler and ruled, whereas New Order politics is built on non-public negotiations and accommodations with different groups.[22]

By contrast with Forum for Democracy's avoidance of direct action, demonstrations and protests form a significant part of Pijar's repertoire. Pijar, a loose network established by student and former student activists in 1989, spearheaded protests against the 1994 media bans. Several of its leaders were jailed for promoting an "alternative press", critical of the government.[23] They further established the Alliance of Independent Journalists (AJI) outside the official structures of media control and in rivalry to the Golkar-front Indonesian Journalists' Association (Persatuan Wartawan Indonesia or PWI). While participating in various grassroots campaigns, Pijar's focus appears to be less on the struggles themselves than on political, legal and constitutional issues which they throw up.

The Centre for People's Democracy (Pusat Demokrasi Rakyat or PDR) links a coalition of labour groups, students, farmers, rural landless and groups struggling for East Timor independence. The PDR's philosophy of "closeness to the people" is illustrated by students living with workers, at some personal danger, in efforts to form independent labour organizations. The network's ideology is indicated in a 1994 declaration by its student affiliate, Students in Solidarity with Democracy in Indonesia (Solidaritas Mahasiswa Indonesia Demokrasi or SMID), that it had decided to "... change the method of its struggle toward a legal, political method, as an open, mass movement".[24] In criticizing "elite" opposition groups, such as the Petition of 50, Forum for Democracy and Pijar, SMID claimed that only it could supply the necessary mass action in defence of the three banned journals.[25] This claim ignored severe jail sentences passed on Pijar activists and associated journalists.

Radical trends among the NGOs are supported by the Community for Social Participatory Management (CPSM), established in 1992. CPSM research claims to show both management deficiencies and lack of "vision" among the NGOs surveyed. A programme of political and social education was accordingly begun, aimed at building a "counter-hegemony" movement capable of resisting state repression and democratizing politics, society and the economy. A network of former trainees working with NGOs provides the foundation for this programme.

The International Forum for Indonesian Development (INFID), comprising Indonesian and counterpart overseas NGOs,[26] provides one potential bridge between competing ideological streams, through its capacity to link action at the micro developmental and macro political levels. INFID has lobbied internationally against major forestry, transmigration and large dam schemes as well as aspects of the family planning programme, causing it to be excluded from dialogue with the government in shaping developmental objectives. Internally, INFID has been revitalized by a shift in membership. Reduced involvement by larger, long-established NGOs has been compensated by an influx of small NGOs affiliated with regional forums. This trend parallels the earlier expansion of NGOs in the late 1970s, after student mobilization for democracy and equitable development was halted by the government's "campus normalization" policy. Students then looked for issues with which to make contact with grassroots groups. Subsequent, and at times painful, interaction with NGOs eventually resulted in greater mutual understanding, with several taking initiatives to assist locally-based cadres to develop para-professional skills and organization, for example, in relation to legal and environmental struggles.

Two broad non-state activist networks can be identified in Malaysia. The first focuses primarily on domestic legal and civil rights issues, such as the Internal Security, Official Secrets, Trade Unions and Societies Acts, together with the rights of women, migrant workers and other disadvantaged groups. Recent concern has centred on criminal defamation action taken by the police in response to public criticism. Prominent organizations include the legal and human rights group, Voice of Malaysia (Suara Malaysia or SUARAM), Aliran, a Penang-based group oriented towards non-communal politics; and several student, trade union, women's and consumer groups. The Malaysian Bar Council is also deeply involved in democratic and civil rights causes. It has been extensively involved in land and environmental struggles, for example in opposing the 1993 Land Acquisition Act, which makes land acquisition for official development purposes non-justiciable, except with regard to compensation.

The second stream is linked through the Malaysian Action Front (MAF). The MAF's secretariat is closely bound up with the Movement in Defence of Malaysian Islam (Angkatan Bela Islam Malaysia or ABIM) and the Centre for Peace (Cenpeace), together with three prominent Penang-based NGOs — Just World Trust, Third World Network and the Consumers' Association of Penang (CAP).[27] These core organizations have substantially contributed towards internationalizing and Islamizing the non-state action scene in Malaysia. The Bosnia issue in particular has served to mobilize anti-Western, pro-Islamic sentiment. The focus on alleged European and North American domination of the international political and economic system has moved Just World in particular to launch scathing attacks on the correspondingly dominant cultural order.[28]

The first stream has tended to be associated with opposition parties, mainly through shared opposition to the Internal Security Act and other restrictive legislation. Failed hopes that abrupt constitutional change could be restricted by denying government parties a two-thirds parliamentary majority have helped fuel government hostility. By contrast, the Malaysian Action Front has found important points of convergence on "North-South" issues, with attacks on Western "hypocrisy"[29] and "double standards",[30] which strongly reflect the views of the Prime Minister. ABIM's informal connections with the Deputy Prime Minister, Anwar Ibrahim, once its leading activist, also offer the network a measure of protection. The Malaysian Charter on Human Rights, co-ordinated by SUARAM (1994), represented an attempt to bridge differences, by linking domestic and international, political and civil with economic, social and cultural aspects of human rights. Such attempts at inclusiveness still failed to gain support from the three major Penang groups associated with MAF.

In summary, international, particularly Islamic and Third World issues, play stronger roles in non-state mobilization in Malaysia than in Indonesia, where relevant groups seem more relaxed and eclectic in relations with Western counterparts. Ideological differences among Malaysian non-state groups correspondingly focus more on priorities accorded to external, relative to internal, aspects, perhaps indicating the more limited space and support base available to them.

Public Discourse

Differences between state and non-state discourse appear sharper in Indonesia, with popular participation a pervasive theme even among moderate, developmentally-oriented NGOs. While all Indonesian ideological streams seek democratic change, only one stream among Malaysian non-state groups pursues this goal wholeheartedly, with some groups providing ideological ammunition supporting the status quo.

In contrast to earlier outright opposition, Indonesian official discourse now tends towards co-opting liberal-democratic concepts for integralist purposes. The tone was set by President Soeharto, who positively endorsed the idea of political "openness" in his Independence Day speech on 16 August 1990, stating that Pancasila encourages differences of opinion, while providing a means for resolving them to maintain unity. However, he made clear that challenges to Pancasila itself would not be tolerated.[31] While the government's subsequent retreat from "openness" invites cynical and self-interested explanations, the President probably sees no contradiction between his concept of how Pancasila can accommodate conflicting opinions yet suppressing disruptive styles of expression associated with competitive politics.

Former Armed Forces Commander-in-Chief, Benny Murdani, considers that "openness" requires both harmony and a sense of responsibility. The underlying logic here is that conflicting interests, characteristic of liberal democracy, limit the scope for all groups to express a view. However, notions of "responsibility" can be used to negate rather than balance freedom of expression, as illustrated by the government's characterization of the Indonesian press as "free and responsible". Similarly, "people's sovereignty" is interpreted as meaning that all the people must be represented. Thus, Abraham Lincoln's famous dictum of "government of the people, by the people, for the people" is used to argue that competitive politics result only in the representation of wealthier groups.[32]

In comparing deliberative (*musyawarah*) processes of decision-making with adversary models, one commentator has noted that while *musyawarah* is inclusive, it is rooted in paternalism and authoritarianism, with styles of discussion resembling monologue rather than dialogue.[33] For example, individual members of Parliament cannot express a view before that of their group has been determined. This in turn must await a consensus view of the whole People's Representative Assembly (Dewan Perwakilan Rakyat or DPR), which thus only enjoys freedom of speech collectively.

Within Pancasila discourse, conflict is evident between "integralist" and more open interpretations. "Integralist" doctrine is built on the idea that the State and people are one, rendering citizens' rights against the state redundant. When this formulation was first proposed in 1945, it was opposed by Mohammed Hatta, later Indonesia's first Vice-President, not so much on classic liberal-democratic grounds as urging the need to balance excessively strong state powers. Article 28, guaranteeing freedom of speech and association, was therefore included in Indonesia's 1945 Constitution, though seriously limited by the phrase "according to law". The government has subsequently claimed the right to interpret the "spirit" supposedly underlying the Constitution.

Hatta has commonly been seen as upholding Western-style liberal cum social democratic political ideology, because of his support for basic civil rights, rule of law, freedom of speech and association, government accountability to freely elected legislatures and his rejection of Soekarno's "functional groups" concept of representation.

As Bourchier has observed, this latter depends heavily on central presidential authority to determine which groups will be represented, by whom and in what proportions.[34] Nevertheless, Hatta emphasized social justice and wanted all the people involved in decision-making, in line with Pancasila rejection of interest group politics. Hatta's aim, seemingly pursued by Abdurrachman Wahid and Forum for Democracy, have both aimed at combining liberal democratic processes and institutions with Pancasila values.[35]

Developmental themes form an important element of this discourse in both countries. The emergence of the middle class and its potential significance for democratization and universal human rights, represents an important associated theme. While official discourse in both countries uses successful economic outcomes to legitimize government rule, non-state groups criticize dominant paradigms as distributing wealth and power unequally. Far from seeing the middle class as a leading agent of change, radicals accuse it of being unable to implement the idea of democracy which it has generated and as only concerned with safeguarding personal interests.[36] On balance, the emergence of the middle class should probably be seen as a necessary rather than sufficient condition for democratization, which requires broader-based mobilization.

Malaysia, together with Singapore, has been a pioneer of the "Asian values" counter-attack on Western liberal ideology, making it harder to pick out particular Malaysian discourse on human rights and democracy issues. However, official outlooks appear to be torn in opposite directions. On the one hand, the government claims that it broadly accepts the universality of human rights but needs time to ensure national unity, development and stability. At the same time, potential critics are made strongly aware of Malaysia's different view of human rights, particularly its stress on family and community relative to the individual.

Promotion of "Asian values" varies in intensity within the government, with different nuances evident between the Prime Minister[37] and his Deputy. Dr Mahathir's often strident anti-Western line should be seen in terms of his primary concern to promote Malaysia's economic development, regional relations and associated domestic political and cultural agendas, with vigorous counter-attack and pre-emptive strikes against potential human rights critics representing the least costly and time-consuming way of dealing with unwelcome intrusions.[38] At the same time, the Prime Minister plays the role of stern disciplinarian both towards his own people and moral "backsliders" in the West who would divert them from the path of hard work. At times, his thinking seems to be driven by a "domino theory" outlook in which initially moderate demands for freedom of expression, workers' and women's rights are replaced by increasingly extreme demands, resulting in homosexual marriages, family breakdown, and social disorder.[39]

While sharing many of the Prime Minister's concerns, Anwar Ibrahim warns against denouncing human rights as Western, since they represent the common values of mankind.[40] He regularly expresses concern about corruption at home, arising from lack of governmental accountability, while his background in ABIM causes him to advocate easing of the Internal Security Act. Musa Hitam, former Deputy Prime Minister and currently U.N. Human Rights Commissioner, though endorsing broad "Asian values" themes, nevertheless argues against their abuse in legitimizing the interests and authority of power-holders. He has apparently persuaded the government, at least in principle, to ratify key United Nations conventions, although their processing has either been held up in the Attorney-General's Department or by Pusat Islam, the Islamic advisory group to the Prime Minister, which continues to scrutinize policy implications relating to women and the family. Other sections of the government seem concerned whether ratifying the ICCPR entails abolishing the Internal Security Act and related legislation.

The Malaysian Charter on Human Rights[41] indicates a broad trend in Malaysian non-state discourse favouring a balance between domestic and international political, economic and social rights. The views of Chandra Muzaffar and Just World Trust stand in stark contrast. Western countries' concern for human rights is dismissed as hypocrisy, supportive of their continuing domination of the international order. In that context, Muzaffar opposes the United Nations Declaration of Human Rights and associated U.N. covenants, on the grounds that they are implicitly based on the concept of "the 'individual human being' as the only true bearer of human rights".[42]

Discourse supporting liberal democracy is thus relatively weak in Malaysia, because of limited interest in internal democratic agendas by a significant section of the NGO movement. However, it is also less syncretic compared with that of Indonesian reformist counterparts in the tradition of Mohammed Hatta and Abdurrachman Wahid. In addition, the Malaysian Bar Council and legal profession seems relatively stronger as an independent force within the overall structure of public institutions.

Islam, Human Rights and Democracy

Islam operates in very different legal, social and political contexts in each country. Malaysia is constitutionally a Muslim country, while Indonesia operates under the state ideology of Pancasila, which in theory accords Islam an equal place alongside other recognized religions. Malaysia accords religious freedom to non-Muslims, while statute and common law prevails in most areas outside personal and family life. Indonesia asserted the supremacy of national law until 1989, when it accorded *shariah* law equal status in these areas under the Law on Religious Courts.[43]

Some 85–90 per cent of Indonesians are registered as Muslims. However, the nature and extent of their adherence has always been disputed, in the context of widespread syncretic and customary belief and practice, with support for Islamic-based parties never commanding more than one-half of nominal adherents to Islam. In recent years, the government has been obliged to recognize the increasing strength and depth of Islamic mobilization. President Soeharto has sought support from organized Islam to balance partial weakening of ties with the military. This shift was signalled by the establishment of ICMI in 1990. While there are several factions within ICMI,[44] it is well represented in the Cabinet and bureaucracy, and in key societal organizations such as Muhammadijah. It also operates its own national daily newspaper, *Republika*.

In Malaysia, while Muslim minorities exist among other races, the nexus between Islam and the Malay race is both socially and constitutionally determined, resulting in close links between Islamic theological debates and intra-Malay politics. The importance placed on Malay unity, as a basis for dealing from a position of strength with the non-Malays, ensures the continuing influence of Islamic religious leaders, who have been further strengthened by the declining influence of the sultans.

The dominant trend among Muslims in both countries is away from a fully-fledged Islamic state subject to *shariah* law. The new "Islamic society" model seeks to extract core values from Islam acceptable to other communities. Malaysia is currently researching integration between civil and *shariah* law, while seeking to upgrade and systematize the latter.[45] While this formulation appears less divisive, it is subject to opposite dangers either of non-Muslims being excluded from debates under which such legal systems are formulated, or of frustrating Muslim sentiment if dialogue with other groups fails to produce significant consensus.[46]

Indonesian Muslim parties have consistently championed Western-style democratic institutions, despite different value premises. The underlying assumption of an Islamic majority has always given strong impetus to such sentiments, and is currently being promoted by important elements within ICMI.[47] In any case, it is argued that broader goals of justice and human rights can only be achieved by political means. In Malaysia, by contrast, it is taken for granted that Islam must find political expression, with controversy focusing on approach and direction. While minority conservative sentiment, particularly in Malaysia, holds that Muslims are subject to God's rather than man's rule, a majority of Muslims in both countries appear to accept representative democracy, based on the "rule of law", as a valid system of government. However, tensions are evident with regard to individual and minority rights.

Western notions of individual rights have been subject to heavy bombardment from Islamic sources in both countries. Condemnation of egoism and individualism may take strident forms or be modestly expressed, as in Hatta's famous comment that the French Revolution had achieved liberty but forgotten equality and fraternity.[48] Muzaffar argues that rights, responsibilities, relationships and roles must be integrated in line with the core Islamic concept of man's "vice-regency" derived from God.[49] This in turn raises questions as to who has authority to interpret a person's responsibility, the effective exercise of which requires personal freedom. Similarly, attacks on Western secularism deriving from the Enlightenment period should also take into account the stress placed on individual conscience and responsibility by the Protestant Reformation.

Orthodoxy in Indonesia faces increasing challenges from a stream of thought stressing voluntarist, humanistic expressions of Islam.[50] Wahid counters legalistic expressions of the Islamic society concept, not with a secular alternative, but by urging that Muslims need freedom to practice Islam voluntarily, according to their own interpretation and understanding.[51] Such ideas would immediately fall foul of orthodox religious teachers (*ulama*) in Malaysia, where the religious authorities have identified over fifty varieties of "deviant" interpretation and teaching. While Indonesian *ulama* enjoy respect from their followers, diversity of approach is widely accepted. In principle, conflict between individual and community dimensions of democracy can be resolved within a framework of group deliberation (*musyawarah*) — a traditional and deep-rooted Islamic idea. *Musyawarah* is nevertheless open to both voluntaristic and authoritarian interpretations.

While women's issues in general have been taken up by various active groups in recent years, specific practical, legal and theological aspects affecting Muslim women have been highlighted by the Sisters in Islam group, which has challenged the pronouncements (*fatwa*) of conservative *ulama* on several issues, claiming that they totally fail to consult those affected by their interpretations. The Sisters claim the right of a women's reading of Islamic texts and for women's perspectives to influence procedures in the Islamic court system. They further see themselves as playing a potential third force role between conservative Islamist and secular forces. The group has published booklets concerning wife-beating and male–female equality and lobbied successfully, together with others, for amendments to the Domestic Violence Act. However, the Act's proclamation has been held up by Pusat Islam, which claims that it overlaps with *shariah* law.

The Prime Minister is reported to be disquieted by conservative Islamic trends, with PAS (Parti Islam se Malaysia) and Pusat Islam disapproving of his calls for wider scope for personal interpretation (*ijtihad*). This was illustrated during the debate on *hudud* legislation introduced by the Kelantan government, in which he launched a trenchant attack on those claiming exclusive rights to interpret Islamic scriptures. He also strongly supported the Sisters in Islam on their objections to the necessity for four male Muslim witnesses before rape can be established, especially as failure to do so leads automatically to counter-charges of adultery against the victim.[52]

One important, though as yet not publicly articulated, issue concerns ratification of major United Nations covenants mentioned earlier. Most Muslims acknowledge broad compatibility between universal human rights principles and core values of Islam, despite differences in language and underlying philosophy. However, the denial of Muslims' right to leave Islam and making marriage with a non-Muslim conditional on conversion to Islam conflicts with the 1948 U.N. Declaration on Human Rights (Articles 16 and 18). Although Articles 18 and 23 of the 1966 ICCPR dilute these rights significantly, it is not yet certain whether these changes will prove sufficient to remove Islamic leaders' objections to ratification. This issue provides a further example of how, although external pressure may place issues on the political agenda, they are ultimately determined by domestic forces.

Conclusion

A stalemate is apparent on both ideological and institutional fronts with regard to human rights and democracy in Indonesia and Malaysia. Rising pressures for change are countered by strong forces of resistance.

The Indonesian context has indicated the facility with which basic liberal democratic concepts can be reinterpreted by official discourse into integralist versions of Pancasila. This tendency has been reinforced by proponents of reform seeking compromise in terms of more "open" versions of Pancasila, perhaps indicating a basic weakness of democratic culture among élites in Indonesia, including reform advocates. In Malaysia, conflict is framed more in legal and constitutional terms. However, powerful ethno-religious and other societal forces reinforce the government's relativist, pragmatic and at times highly personalized view of how the state should respond to human rights issues. They also limit the space for non-state mobilization. Those advocating greater legal regularity and civil rights have been further weakened by Third Worldist critiques which effectively downgrade the importance of these issues.

The strength underlying Islamic agendas in both countries has further confused democratic discourse. On balance, trends in internal theological debate tend to favour democratization and universal human rights, particularly in Indonesia, where Islamic political tradition in Indonesia has always favoured constitutional democracy. However, it is unclear how far individual, as distinct from minority community dissent, can be accommodated. Potential divisions caused by Islamic mobilization have also tended to strengthen both governments' concerns for national stability and security.

The 1993 United Nations Vienna Declaration showed the potential for synthesis between artificially opposed streams of rights, pointing the way towards more viable diplomatic frameworks for dialogue on these issues. In practice, the Declaration looks like an unwieldy shopping list, inviting random responses from governments hard-pressed on other fronts. Both Indonesia and Malaysia are seriously considering ratification of major United Nations covenants, despite their sustained criticism of international human rights regimes. Decisions here will be based on complex internal and external "cost-benefit" calculations, with outcomes determined by considerations of national interest, linked to the political survival of ruling groups, rather than the wishes of foreigners. External links with both state and non-state groups nevertheless facilitate input into domestic debates.

Overall, there are grounds for optimism that a more pluralist balance of socio-political forces is emerging in both countries. While forces for change do not yet amount to an overwhelming "democracy wave", they are becoming sufficiently broad-based as not to be ignored in shaping overall national directions.

NOTES

1. Department of Foreign Affairs and Trade, *Human Rights Manual* (Canberra: Australian Government Publishing Service, 1993), pp. 177–201.
2. Ibid., p. 179.
3. The argument that the Universal Declaration of Human Rights is unacceptable on the grounds that these countries were not yet independent in 1948 is negated by the General Assembly's adoption of the ICCPR and ICESCR in 1966.
4. The ICCPR has so far been ratified by 115 countries and the ICESCR by 118 (Department of Foreign Affairs and Trade, op. cit., p. 44).
5. Kishore Mahbubani, "The Dangers of Decadence: What the Rest Can Teach the West", *Foreign Affairs* 72, no. 4 (September/October 1993); Samuel Huntington, "The Clash of Civilizations?", *Foreign Affairs* 72, no. 3 (Summer 1993); Samuel Huntington, "If Not Civilizations, What?", *Foreign Affairs* 72, no. 5 (November/December 1993). Similar arguments were taken up by another senior Singaporean, Tommy Thong-Bee Koh, "Does East Asia Stand for Any Positive Values?" *International Herald Tribune*, 11–12 December 1993.
6. Cf. Commission for a New Asia, *Towards a New Asia*, A Report of the Commission for a New Asia (Kuala Lumpur, 1994) for a systematic statement of the "Asian renaissance" concept. This initiative was spearheaded by Dr Noordin Sopiee, Director of Malaysia's Institute of Strategic and International Studies, described by some sources as "close to Mahathir", together with a group of eighteen leading intellectuals from twelve Asian countries. Cf. also "The Asian Way: Regional Thinkers put Homegrown Ideas before the World", *Asiaweek*, March 1994, pp. 22–25.
7. Commission for a New Asia, op. cit., pp. 5–9.
8. Amyn B. Sajoo, *Pluralism in "Old Societies and New States" — Emerging ASEAN Contexts* (Singapore: Institute of Southeast Asian Studies, 1994), pp. 91–95.
9. Jusuf Wanandi, *Human Rights and Democracy in the ASEAN Nations: The Next 25 Years* (Jakarta: Centre for Strategic and International Studies, 1992).
10. For example, by an all party delegation from the German Parliament. "Parlemen Jerman Respek Atas Hasil Kerja Komnas HAM", *Suara Pembaruan* (Jakarta), 22 March 1996, p. 1.
11. "Komnas HAM dan Gaya Baru Pengaduan Masyarakat", *Angkatan Bersenjata* (Jakarta), 27 November 1995, p. v.
12. Adnan Buyung Nasution, "Pelenggaran HAM Terjadi Akibat Sistem Pembangunan", *Republika* (Jakarta), 16 December 1995.
13. "Beberapa Tanggapan Atas Lahirnya KIPP", *Suara Pembaruan* (Jakarta), 16 March 1996, pp. 1, 19.
14. *Straits Times* (Singapore), 15 April 1996, p. 18.
15. The role of the judiciary has also proved controversial in Malaysia, since the dismissal of the Chief Justice and five other Supreme Court justices in 1988. Dr Mahathir has argued strongly for limits to be placed on the powers of judicial review to the extent that the judiciary constantly opposes the policies of the government and Parliament. Cf., for example, Khoo Boo Teik, *Paradoxes of Mahathirism: an Intellectual Biography of Mahathir Mohamad* (Kuala Lumpur: Oxford University Press, 1995), p. 289.
16. Philip J. Eldridge, *Non-Government Organizations and Democratic Participation in Indonesia* (Kuala Lumpur: Oxford University Press, 1995).

17. " 'Forum Demokrasi' Untuk Hilangkan Rasa Saling Curiga-mencurigai", *Suara Pembaruan* (Jakarta), 4 April 1991.
18. "Bersilaturahmi, Kelompok Kerja Forum Demokrasi" *Kompas* (Jakarta), 14 May 1991.
19. Ibid.
20. "Indonesians can uphold democracy, Abdurrachman says", *Jakarta Post*, 13 April 1991.
21. Ibid and J.A. Denny, "Forum Demokrasi, ICMI, dan Partai Politik", *Pelita* (Jakarta), 20 April 1991.
22. Fachry Ali, "Catatan Kecil tentang Abdurrahman Wahid" *Media Indonesia* (Jakarta), 30 April 1992.
23. Article 19, International Center Against Censorship, *Pengawasan Dan Penindasan — Warisan Kudeta 1965 di Indonesia*, Penerbitan No. 43 (London, September 1995).
24. SPRIM Position Paper 2/2, *Aksi News Service* (Sydney), 1 August 1995.
25. Ibid.
26. INFID is structured so that international and Indonesian NGOs meet separately. INFID's consensus basis of operation prevents international NGOs from acting without the consent of Indonesian counterparts.
27. CAP and its sister organization, Friends of the Earth (Sahabat Alam Malaysia or SAM) nevertheless pursue major domestic campaigns relating to their respective fields, supporting many grassroots campaigns.
28. Cf., for example, *Dominance of the West Over the Rest* (Penang: Just World Trust, 1995).
29. Chandra Muzaffar, "Human Rights and Hypocrisy in the International Order", in *Dominance of the West Over the Rest*, pp. 83–109.
30. T. Rajamoorthy, "Double Standards, Selectivity and Western Domination", in *Dominance of the West Over the Rest*, pp. 73–82.
31. *Kompas* (Jakarta), 18 August 1990.
32. "HAM, Demokrasi dan Republik", *Media Indonesia* (Jakarta), 9 December 1995.
33. "Oposisi", Lead article, *Media Indonesia* (Jakarta), 17 September 1995.
34. D. Bourchier, "Totalitarianism and the 'National Personality': Recent Controversy about the Philosophical Basis of the Indonesian State", in *Imagining Modern Indonesian Culture* , edited by Jim Schiller and Barbara Martin-Schiller (Athens: Ohio University Press, forthcoming).
35. Douglas E. Ramage, *Politics in Indonesia: Democracy, Islam and the Ideology of Tolerance* (London: Routledge, 1996), argues that contemporary democratic reformers increasingly assert this link.
36. M.M. Billah, "The Role of NGOs in Democratization based on People's Sovereignty", in *The Indonesian NGO Agenda Toward the Year 2000* , edited by Rustam Ibrahim (Jakarta: CESDA — LP3ES, 1996), pp. 164–82.
37. For a fascinating overview of Dr Mahathir's outlook, see Khoo, op. cit.
38. For example, Malaysia under Mahathir has been characterized as a "nation in a hurry". Cf. A. B. Shamsul, "Australia in Contemporary Malaysia's Worldview", in *Australia-Malaysia Relations: New Roads Ahead*, Proceedings of the conference organized by the Centre for Malaysian Studies, 20 April 1995, edited by Zaniah Marshallsay (Melbourne: Monash Asia Institute, 1996), pp. 46–72.
39. Cf., for example, Mahathir Mohamad, *The Challenge* (Petaling Jaya: Pelanduk Publications, 1986), pp. 99–103.
40. Luncheon address to the International Conference on "Jose Rizal and the Asian Renaissance", Putra World Trade Centre, Kuala Lumpur, 3 October 1995.

41. Suara Rakyat Malaysia, *Malaysian Charter on Human Rights by Malaysian Non-Governmental Organisations* (Petaling Jaya, Selangor, December 1994).
42. Chandra Muzaffar, op. cit., p. 104.
43. Amyn B. Sajoo, *Pluralism in "Old Societies and New States": Emerging ASEAN Contexts* (Singapore: Institute of Southeast Asian Studies, 1994), p. 39.
44. A. Schwarz, *A Nation in Waiting : Indonesia in the 1990s* (St. Leonards, NSW: Allen & Unwin, 1994), pp. 162–93; Nasrullah Ali-Fauzi, ed., *ICMI Antara Status Quo dan Demokratisasi* (Bandung: Penerbit Mizan, 1995).
45. This matter is currently being researched by the Law Faculty of the International Islamic University.
46. A possibly opportunistic sentiment exists within UMNO, sometimes expressed by the Prime Minister, that it would be unfair for non-Muslims to be subject to less harsh laws than Muslims. Rose Ismail, ed., *Hudud in Malaysia: The Issues at Stake*, SIS Forum (Kuala Lumpur: Berhad Malaysia, Sisters in Islam, 1995), pp. 69–70, 171–75.
47. Cf., for example, Ali-Fauzi, op. cit., pp. 126–43; Adi Sasono, "Politik Partai 'ICMI Politik Islam", *Trotoar* (Jakarta) 47, no. 5 (1994).
48. Wahjono Padmo, "Demokrasi Politik Indonesia", in *Dinamika Budaya dan Politik dalam Pembangunan*, edited by Fauzie Ridjal and M. Rusli Karim (Yogyakarta: PT Tiara, Wacana Yogya untuk Yayasan Hatta, August 1991), pp. 235–36.
49. Chandra Muzaffar, op. cit., pp. 100–3.
50. Nurcholish Madjid, *Islam Agama Kemanusiaan — Membangun Tradisi dan Visi Baru Islam Indonesia* (Jakarta: Yayasan Wakaf Paramadina, 1995).
51. Personal interview, November 1995.
52. Rose Ismail, ed., op. cit., pp. 13–21, 63–79.

PHILIP ELDRIDGE is Associate Professor in Political Science at the University of Tasmania.

Contemporary Southeast Asia, Volume 18, Number 3, December 1996

Constructing the Vietnam War: A Review Article

GREG LOCKHART

***Following Ho Chi Minh: Memoirs of a North Vietnamese Colonel.* By Bui Tin.** Translated from the Vietnamese and adapted by Judy Stowe and Do Van with an introduction by Carlyle A. Thayer. London: Hurst and Co., 1995. 202 pp.

***In Retrospect: The Tragedy and Lessons of Vietnam.* By Robert S. McNamara with Brian Van De Mark.** New York: Random House, 1995. 404 pp.

***The Bunker Papers: Reports to the President from Vietnam, 1967–1973.* Edited by Douglas Pike.** Berkeley, CA: Institute of East Asian Studies, University of California, 1990. 3 vols., xvii, 899 pp.

These three works, one Vietnamese and two American, offer complementary views of the Vietnam War.

On the Vietnamese side, Bui Tin was a soldier and journalist who enjoyed many high-level government contacts before he defected from the communist regime in September 1990 and wrote his *Memoirs* in Paris. On the American side, Robert S. McNamara wrote *In Retrospect* on the basis of his experience as U.S. Secretary of Defence between 1961 and 1968. Ellsworth Bunker wrote his *Papers* as ninety-six regular messages on the conduct of the war to Presidents Johnson and Nixon while he was U.S. Ambassador in Saigon between 1967 and 1973. If only because they are all so well informed, both volumes of memoirs and Bunker's *Papers* would be of interest to students of the Vietnam War. But this is all the more so when the political-literary context of each work offers good reasons for building them collectively into a global construction of that conflict.

Bui Tin's book is, indeed, one of only four or five that really give us an inside view of the secretive workings of the Vietnamese communist regime since it came to power in 1945. The first of these is Hoang Van Chi's 1964 publication, *From Colonialism to Communism*. It describes Ho Chi Minh's repressive, Maoist style administration in the 1950s and was for this reason read widely in the West during the Vietnam War.[1] However, this was also because the Hanoi regime was so tightly closed that English readers did not have another inside view of it until 1982 when General Tran Van Tra published his explosive work on *The Conclusion of the Thirty Year War*.[2]

This book, which mentions Bui Tin (p. 26), and which Bui Tin says he "encouraged" (pp. 80–81), criticized the conduct of the 1968 Tet offensive. It also revealed the workings of a Politburo meeting for the first time, and showed that, rather than anticipate the collapse of the Saigon regime in 1975, the General Staff had not imagined victory before 1976 (pp. 160–61). Tra was not seriously punished for his criticism because he was protected by the enormous prestige he had gained as Commander of the Southern Zone during the war. Nevertheless, his book did anticipate two other rare post-war exposés which were produced by writers in exile in 1986.

One of these is Hoang Van Hoan's *Revolutionary Memoirs*, which was published in Beijing. It highlights the disharmony of the Vietnamese leadership under Le Duan and its failure to acknowledge Chinese military support in the 1950s and 1960s.[3] The other work, published in London, is Truong Nhu Tang's *Journal of a Vietcong*. It tells much about the resistance regime in the south and the tension between it and the Hanoi government.[4] Although he mentions Hoan in passing, Bui Tin does not refer either to his writing or to Tang's. Nevertheless, by filling out the very short list of genuine Vietnamese political exposés,[5] the writings of these two remind us that, in Vietnam, exile is more or less a precondition for a book like Bui Tin's.

In obvious ways, the U.S. Government has not been as effective as the Vietnamese in containing political discussion about the war. Indeed, the first major American work to break the web of official wartime secrecy was the monumental 7,000-page U.S. Defence Department's documentary study of America's relations with Vietnam from the 1940s to the 1960s: *The Pentagon Papers*.[6] This radical work, which McNamara was initially responsible for compiling in the Defence

Department,[7] was leaked under dramatic circumstances to the *New York Times* by Daniel Ellsberg in 1971, and since then vast archival sources, innumerable secondary analyses and many more memoirs have become available. Nevertheless, as recent works by key figures in the conflict, McNamara's *In Retrospect* and Pike's edition of *The Bunker Papers* do provide us with an interesting gloss on the nature of power as they look back to the catastrophe of the Vietnam War through the prism of thirty years.

What we find, of course, is that nothing much has changed. Even though McNamara repudiates the military involvement in which he played such a major role in orchestrating, *In Retrospect* essentially describes the original failure of U.S. policy. Although Bunker's *Papers* report the forced U.S. withdrawal from Vietnam as it actually took place, Bunker died in Vermont in 1984 still believing, as Douglas Pike, his editor, continues to believe today, in the illusion of a righteous U.S. cause. Yet it is precisely this inability of failed, though presumably well-meaning, wartime officials to escape their past that highlights the limitations of their former power.

Since Bui Tin's *Memoirs* offer a fractured view of the regime that won the war, one thus assumes that all three works are flawed by the nature of power. Yet one also assumes that no description of power can be entirely trusted. What this article does, therefore, is to show how a global view of the war tends to come into view when the fragmented truth of each work is arranged around the cracks in the others.

The cracks in Bui Tin's *Memoirs* are not necessarily apparent at the beginning. In Chapter 1, he simply emerges from the shadow of his high-class Confucian background with a modern French education and great "enthusiasm" for the struggle against French colonialism. There seems to be no contradiction between his élite background and the "revolution" of 1945 (p. 1). He just sets off on a career of shining "firsts". He becomes a member of "the first military class" of the Democratic Republic of Vietnam, and was also "one of the first" cadets to be trained at the Ho Chi Minh military school (p. 4). As the story develops, however, doubts about the nature of Ho Chi Minh's regime gradually shade his career.

After the "elating and heroic" (p. 13) years of the anti-French resistance war, he says he was troubled in the 1950s by the errors of the land reform campaign, and the repression of "individual" freedom (p. 37). He also became critical of Ho Chi Minh's failure "to develop a significant measure of democracy" (p. 66). Nevertheless, he maintained hope that the situation would improve and, unlike some other

Vietnamese intellectuals,[8] still had no doubt that fighting American intervention in the 1960s was necessary.

During the anti-American war Bui Tin was an army journalist who again demonstrated an unusual capacity to be in the right place at the right time. After many years in dangerous places, he was actually the "first" (p. 84) senior officer to enter Independence Palace in Saigon once the T-54 tanks crashed through its gates and ended the Vietnam War on 30 April 1975. After this, he joined the editorial board of the *People's Daily*, and from this position his post-war career brought him into contact with Secret Police chiefs, ambassadors, and political and military leaders at the highest level. So why, then, did such a successful man defect at the age of sixty-three?

Part of the answer was Bui Tin's growing disgust in the 1980s with a government that had produced nothing but "poverty and despair" for the people (p. 170). On this point his eloquence is arresting:

> Walking around Hanoi in recent years, I have felt continuous mental torture. The children look thin and frequently speak in obscenities. The women are gaunt and anxious. Sewage spills here and there. Sometimes arguments explode, abuse is hurled and knives are brandished. The city teems with gamblers, thieves, pickpockets, prostitutes and opium smokers (p. xv).

At the same time, however, it is important to emphasize that there was a clash between Bui Tin's position in the communist hierarchy and his élitist sense of his own importance. Despite his excellent connections, he complains that as a Grade 8 journalist with the rank of Vice Minister, he still had to have his articles vetted. In many passages, he also reveals contempt for the country's most illustrious leaders. We find, for example, that Truong Chinh was "a Confucian" who "belonged to a tradition where everyone kowtows and agrees" (p. 103). Le Duan "scarcely ever seemed to write anything down", "he also stammered a lot" and "spoke ungrammatically" (p. 105). Do Muoi is presented as "a worker" with "little education" (p. 100). In the small, closed world of the Vietnamese ruling élite, the foibles of Bui Tin's superiors had, by the 1980s, clearly gotten under his skin. And in terms of the psychopathology of defection in Vietnam, it is interesting to note that his feelings were close to those of Truong Nhu Tang, whose *Journal* refers to the "physical revulsion" that drove him away from the regime that was installed in Saigon in 1975 (p. 290).

Accordingly, the *Memoirs* gradually narrow its initial sense that the world was once so wide. This does not mean that, though long in the making, his decision to defect was inevitable. Yet certain tensions at the end of the book finally tear the seamless web of its beginning. Bui Tin finally says that, "in certain ways", defecting from the regime "was like returning to my past because I was French educated" (p. 169). We see that, like other intellectuals, including Hoang Van Chi and Truong Nhu Tang, Bui Tin fled a regime to which he had long tried but failed to adapt.

Yet there is still one aspect of Bui Tin's defection that demands our attention. In summing up his reasons for it, he says:

> I had taken many major steps in my life like leaving home in my youth to join the Resistance and the Communist Party. I had also embarked on several hazardous trips down the Ho Chi Minh Trail as well as being at the forefront of our troops entering Saigon and later Phnom Penh. Going to France seemed to me no less of an adventure, perhaps the last in my life (p. 169).

Here, he clearly describes his departure in the same way as he describes his revolutionary career, as an "adventure". Moreover, in criticizing the regime for its "adventurism" in Chapter 6, he reveals both the unflattering side of his decision to leave Vietnam and the shaky basis on which he had constructed his brilliant career: the failed political opportunism that welled up with intensified aversion for the government in his breast.

Hence, the need for self-justification which manifests itself in Bui Tin's criticism of the élite and also in his construction of his career. Hence, also, for much of his book, the light-headed tendency to overlook the successes of the regime — especially, its victory in the war. At the same time, however, we must not forget the genuinely moral sources of his work — his frustrated desire for reform, his "continuous mental torture" in the streets. Given his role as a kind of secretary to the small, arbitrary power hierarchy of the Vietnamese communist regime for many years, he also had great knowledge of it. Taken as a whole, therefore, Bui Tin's ambiguous narrative can, with careful handling, tell us a great deal about the nature of the regime that won the Vietnam War.

Although much of it operates at the level of tittle-tattle, Bui Tin's commentary on the regime often cuts quite close to the bone. Rightly or wrongly, for example, his disclosures about how Ho Chi Minh had two wives and used pseudonyms to write two of his own hagiographies is bound to create a strong impression of the hypocrisy of the communist leadership (p. 17). Other stories, such as his account of Le Duan's grandiose building programme, reveal its incompetence (p. 103). Moreover, although Chapter 3 is the only one with a sharp focus on "war", a good deal of convincing gossip about the Hanoi High Command is scattered throughout the book.

We see how Vo Nguyen Giap and other intelligent generals were excluded from the decision-making process towards the end of the War. We learn that General Nguyen Chi Thanh, the architect of the 1968 Tet Offensive, was not killed in a U.S. bombing raid in the south in 1967, as legend has maintained. In fact, he died in Hanoi while planning the offensive, probably of a heart attack, after a bout of heavy drinking on the night of 6 July 1967 (pp. 61–62).[9] Meanwhile, Bui Tin's comments on General Van Tien Dung, the Army Chief-of-Staff who commanded the final spring offensive in 1975, yields some riveting scandal. Not only was Van Tien Dung's famous book on the spring offensive[10] actually "ghost-written by Hong Ha" (p. 80), but Bui Tin also implies that he had two other generals murdered in 1986 to maintain his power base in the army (pp. 140–44).

Such dark rumblings are certainly remarkable. Of more enduring interest, however, is the way Bui Tin highlights certain structural features of the regime and to appreciate how he does this it is necessary to stress that the *Memoirs* are the work of a modernist. For no matter how his need for self-justification may distort his analysis, it is basically his modernism that shapes his view of the "family feudalism" (p. 66) of the communist regime and so gives the *Memoirs* their main ideological thrust.

Nowhere is Bui Tin more penetrating than when writing about the period after 1975, he discusses the workings of the Politburo. He first says that its methods "really remained Confucian, given the way they deferred to one another to preserve harmony and discipline". He adds that they conducted their affairs "within a traditional village or family hierarchy" (p. 105). Then he makes the following observation:

> The office of the Party Central Committee is located in what was formerly the Albert Sarraut School on Ba Dinh Square. There the Politburo and the Party Secretariat have a large conference hall. But the members of the Politburo still all work in their own homes which are often quite far apart. Each home consists of a private village which has been expanded to accommodate the family, offices, secretaries, chauffeurs and security guards. The office usually contains six to twelve people. There is a *chef de cabinet* and his deputy, an official secretary and a secretary in charge of appointments and activities, as well as those responsible for correspondence, the press, economics and foreign affairs. Then there is the personal photographer and majordomo who organizes the domestic household, the cook and the servants (pp. 105–6).

This very interesting passage goes on to explain how, to obtain an official decision or advice, a party bureaucrat might have to visit thirteen or fourteen different homes to take notes, circulate ideas, and finally get some kind of consensus. He also says that this extraordinary lack of co-ordination stems from an inability to change the practices of the old days when ministers were "guerrilla leaders" (p. 106).

Unfortunately, however, such excellent analysis seems to break down in relation to military affairs. In fact, especially when it is married to his need for self-justification, his modernism highlights the "military failures" of the "feudal" regime when, of course, the salient point about the war is the success of the "guerrilla leaders". Bui Tin's handling of the 1968 Tet Offensive may then be taken to demonstrate the confusion that his work creates for itself.

At first glance, his gloss on the Tet Offensive seems acceptable. To begin with, he tries to depict a command system in which the planning apparatus was very remote from the military action. Despite great loss of life, both the main aims of the first wave of the assault in February failed: the American Embassy was not finally occupied, and the Saigon radio transmitter was not captured. Next, Bui Tin stresses the ineffectiveness of the command system as the Tet Offensive faltered. This was especially so when American forces counter-attacked around Hue, and a "confusing series of orders" emanated from Hanoi. Finally, Bui Tin depicts a military system which was in any case unresponsive to all disaster. After the first-wave of failures in February, he emphasizes the even more controversial military fiascos that occurred when the offensive was pushed into the futile second and third waves of May and September (pp. 62–63).

The problem with this analysis, however, is that it is not necessarily revealing what it appears to be. Basically, Bui Tin's critique of the various command breakdowns assumes the prior existence of a "High Command" (*Bo chi huy toi cao*) or a "General Staff" (*Bo tong tham muu*) that functioned within a modern centralized system of a political-military command with the capacity for detailed intervention in local strategy. But this assumption is only partly warranted.

The Tet Offensive was so major that it had to be planned and authorized at a "high", national level — as the less than heroic circumstances of General Nguyen Chi Thanh's death in Hanoi show. Nevertheless, a conceptual compromise is necessary as the "military failures" that Bui Tin attributes to the "High Command" may also be interpreted as the inevitable outcome of a "feudal" military regime that never had the capacity to exercise global control of the forces in the first place.[11] Indeed, it is clear that without a factionalized regime in which strong men with local ties and a large degree of autonomy could exercise regional command — and this is what Bui Tin means by "feudal" — and given the lack of a planning apparatus, there would have been no way of mobilizing the people and resources for a regional offensive like that of Tet in 1968.

In these "feudal" terms, it is thus meaningless to offer a modernist critique of the inefficiency of its "military failures". In so far as Bui Tin actually describes an absence of a High Command, it is also useless to highlight its apparent inflexibility and "feudal" approach. Clearly, it was as impervious to the loss of life as it was to its own destruction — and we will see later that Bui Tin does acknowledge this. However, because he never deals with the contradictions that are thrown up by his modernism, some analysis of it has been necessary to show what it can also teach us by default, namely, that the "feudal" approach was essential to winning the war — but rarely a battle — in the face of modern American forces.

As the thrust of Bui Tin's *Memoirs* thus elides the Vietnamese wartime success, it is interesting to see how McNamara's exposé elides the U.S. failure. Basically, McNamara's book, though far from dull and, therefore, a cut above most other "well informed" American memoirs on Vietnam,[12] is an analogue of the blind faith in superior technological capacity that originally led American leaders to become involved in a war that they eventually lost.

At the very beginning of the work, moral fervour prepares us for a replay of the first spectacular failure: "I want to put Vietnam in context", says McNamara. "I truly believe that we made an error not of values and intentions but of judgements and capabilities" (p. xvi). Furthermore, he assumes the moral virtue of his fellows and their cause in the face of all disaster. This then drives him into a brilliant, but limited mechanistic discussion of how the U.S. power apparatus failed to do its job.

A recurring theme of *In Retrospect* is that at all stages of the engagement there were serious, even "violent" policy "splits" and "disagreements" among presidential advisers. Partly because of accurate CIA reporting, some saw the essential weakness of committing American forces to the survival of a government in Saigon that could not have survived on its own. Yet, once the engagement began to escalate after its misty origins in the 1950s, a powerful lobby always emphasized that withdrawal would lead to a catastrophic loss of American prestige in the face of world communism. These differences then paralyzed the decision-making process because they were never seriously raised and resolved.

Three bureaucratic factors deepened this paralysis. The first was the institutionalized ignorance about Vietnam that stemmed from the decimation of East Asian expertise in U.S. government circles by the anti-communist purges of the McCarthy era. Because of this, "we ... certainly ... badly misread China's objectives ... We also totally underestimated the nationalist aspect of Ho Chi Minh's movement" (p. 33).

The second was a lack of time. With domestic and international events of bewildering variety and gravity pressing on the President and his Cabinet, McNamara offers an interesting gloss on how many "ill-founded judgements" were allowed to pass without critical debate. President Kennedy's fateful decision to encourage the coup that led to the assassination of Ngo Dinh Diem in 1963 was far from the least of these.[13]

Thirdly, with America's Vietnam policy "gravely flawed" (p. 33) from its inception, McNamara explains how its problems were compounded by accidents. After offering a fascinating new gloss on the Gulf of Tonkin incident in August 1964,[14] for example, he tends to persuade me that neither the American nor Vietnamese governments wanted the incident that had such an important bearing on the escalation of hostilities (p. 141).

But if this was a product of bureaucratic pressures and fateful mistakes, it was also a product of presidential dissimilation. When on 8 February 1965 President Johnson authorized Rolling Thunder, the strategic bombing offensive over northern Vietnam, McNamara shows that the President did not tell the truth. He says that Johnson characterized the new bombing offensive "as a step to defeat aggression *without escalating the war*" (emphasis added), but that:

> At best, this was an understatement that thoroughly ignored the magnitude of the change in U.S. military operations the programme entailed. Johnson knew this, but, fearing the public implications [as he prepared for the forthcoming presidential elections], he chose to stilt his comments and, hopefully, the comments of others ... (p. 172).

Almost as soon as he raises the issue of official deceit, however, McNamara deflects it. Three pages later, in relation to the escalation of ground combat forces, he says:

> All of us should have anticipated the need for U.S. Ground Forces when the first combat aircraft went to South Vietnam — but we did

> not. The problem lay not in any attempt to deceive but in a signal and costly failure to foresee the implications of our actions. Had we done so we might have acted differently (p. 175).

Here, McNamara has surely forgotten his earlier analysis. For it is difficult to see how U.S. officials could ever have foreseen the implications of actions that were a product of generalized bureaucratic paralysis and presidential deception — especially as it was the escalation of air power that had originally led to the commitment of ground troops.

This crack in McNamara's argument then widens as he shows how the U.S. military commitment finally came apart. In fact, by the time he resigned in February 1968, McNamara had fully realized that the strategic conduct of U.S. forces in Vietnam was awry.[15] As he demonstrates so clearly, the bombing offensive had failed to prevent northern Vietnamese forces from resupplying and reinforcing those in the south. Contrary to the claims of U.S. generals, the Vietnamese had also just demonstrated the failure of U.S. forces to prevent them from unleashing massive military actions in the Tet Offensive. But what, in sum, is McNamara's response to all this? As we have seen, it is to blame bureaucratic bungling and say "sorry". This is surely not enough.

The great limitation of *In Retrospect* is that McNamara never asks how people like him and Johnson were able to overlook the lies and other shortcomings of the bureaucracy and commit massive destructive capacity to a war about which they knew so little? He does not even see the need to explain how it was that, until about 1968, high-level U.S. officials simply thought that in Vietnam they could do what they liked.

In the early part of the book, he does point out that his was a confident generation, one that came of age when the power of the American empire was at its height. He also tells of his membership of the "Whiz Kids", a group of ten talented former army officers who ran the Ford Corporation after World War II — most of whom went on to high office. What he misses, however, is that, given the global industrial and technological power of their country, U.S. officials like him simply could not imagine the possibility of losing a war with a poor country like Vietnam. This is why, initially, they had so little time for it, and why, at first, the strategic conduct of the war was permitted to develop into the catastrophe it became.

McNamara sets out to provide an institutional analysis of how "reality collided with expectations" (p. 207) in the formulation of U.S. policy in Vietnam. He says "we were wrong, terribly wrong" (xvi). But the lesson of his mechanistic discussion of the U.S. bureaucracy under stress is what it shows by default: that the original deceptions and delusions of U.S. policy are built into the very structure of his book.

Before building the hubris of the post-1945 American empire into a global construction of the war, it will now be helpful to see how Bunker's handling of the U.S. withdrawal from Vietnam puts a different light on it.

If Bunker had written his memoirs, his close identification of White House policy after Tet '68 would certainly have made them "well informed" and dull. But because his *Papers* were written as contemporary summaries of weekly or fortnightly events, they actually give us a good glimpse of U.S. policy in action during the protracted period of the U.S. withdrawal from Vietnam. Indeed, the special interest of *The Bunker Papers* is that, now passed over by history, their message reveals the extent to which powerful people can rationalize failure.

This is especially so, given the editorial treatment by Douglas Pike. Basically, Pike, a former wartime official in the U.S. embassy in Saigon for many years, says that he has presented the documents to redress what he felt were various uninformed views about Bunker's performance as Ambassador. For Pike therefore, the issue is Bunker's performance. For him, the documents add to the accumulation of facts that will, one day, provide the answer to a burning question: was it only after Bunker's departure from Saigon that defeat was snatched from the jaws of victory? "History", we are told, "has yet to make its judgement" (xvi). However, the *Papers* show us that Pike's positivism is beside the point.

As indicated, Bunker wrote the 96 messages to keep the President informed of the progress in the task of establishing democratic institutions in southern Vietnam and, thus, stabilizing the political and military situation there. Given the fall of Saigon, however, Bunker's reports reveal an honest attempt to deal with a situation that was riddled with wishful thinking.

What are the main themes of the *Papers*?

Apart from routine information on military, economic and administrative matters that constitute a formidable mass by page 899, there are three main themes: first, Bunker's optimistic belief in progress, tempered by frustration and setbacks; second, the attempt to develop democratic institutions in the face of political factionalism; and third, from May 1968, foreboding in the Government of the Republic of Vietnam (GVN) about U.S.-Hanoi negotiations.

LIBRARY
Gurukul Kangri Vishwavidyalaya
HARDWAR

In the first message, Bunker draws a lesson from the recent progress in the running of the Saigon port: "I am already convinced", he writes, "that the key to most of our problems here (not only in ports) is motivation towards better performance on the Vietnamese side" (p. 6). This was not an idle conviction. In Bunker's view, U.S. support for the GVN was "obviously indispensable" (p. 23), but U.S. power was also finite. The United States could assist in the birth of democratic institutions, but much had to be done "by the Vietnamese themselves" (p. 23). At least, some of the hubris is gone. The constitutional reforms which the Ambassador constantly urged on GVN President Thieu and monitored for Presidents Johnson and Nixon all reflect his belief in this mission. Thus, in message ninety-six, Bunker was still reporting that projected administrative reforms would "meet the natural desire of local communities for control over their own affairs" (p. 860).

Pike's editorializing about the "enormous institutional progress" (xiv) of the GVN under Bunker therefore has some foundation. The *Papers* refer often to the judiciary, legislature and inspectorate that were set up. They refer also to some quite democratic presidential elections. By 1969, the armed forces of the GVN were performing well in some battles. By 1972, American-sponsored land reform was under way. And, yet, for every advance that the messages heralded, a new set of "important shortfalls, weakness, and hazards" (p. 638) were reported.

Corruption comes up time and time again. So too does the destabilizing rivalry between Thieu and his Vice President, Ky. The ability of the enemy to disrupt the GVN's pacification programme even after the American military victory during the 1968 Tet Offensive continues to be haunting. Moreover, from at least 1969, the messages refer frequently to the fundamental weakness of the GVN: the absence of a democratic party system, or any other workable political link with the society it claimed to represent. In January 1969, for example, Bunker reported that "very little progress has been made towards the development of a strong and united nationalist political organization" (p. 638). And, four years and four months later, the last message reported that there was still "factionalism among non-communist groups" (p. 859), just as we have seen among communist groups in the Politburo and High Command.

In any case, what the *Papers* confirm in great detail is that the so-called institutional progress under Bunker bore little, if any, relation to Vietnamese political processes, and that the GVN therefore never enjoyed popular support. Perhaps it is possible to argue that, given time, democratic institutions could have been consolidated.

A problem with this argument, however, is that the *Papers* also offer detailed confirmation that it was not only in the bureaus of the White House and the Pentagon that U.S. officials never had the time they needed for Vietnam.

The fundamental limitation on U.S. involvement in Vietnam is well understood: by late 1967, America's National Security Council had already signalled the need for a scaling down of the U.S. military effort in Vietnam, because of U.S. commitments in other parts of the world, and its prohibitive cost. In April 1968, after Washington's readiness to negotiate with Hanoi was announced,[16] Bunker thus made his first report on the "apprehension and uncertainty" in the southern republic.

This soon "leads to a continuing fear that we may force a settlement on Vietnam, which will result in an ultimate communist takeover" (p. 411). We learn that in November 1968, a "crisis atmosphere" (p. 624) prevailed in U.S.-GVN relations over the Paris Peace initiatives held earlier that month. And from that time, much of the Ambassador's attention was turned to soothing GVN fears of the ultimate betrayal, and urging President Nixon not to be too hasty in withdrawing U.S. troops.

From early 1969, however, Bunker increasingly referred to the "accelerated" (pp. 629, 658, 680) progress that was being made on all fronts, even though "many serious weaknesses" (p. 656) were still acknowledged in the GVN. A strong element of wishful thinking is thus apparent when the word "Vietnamization" (p. 673) is first used in May 1969, and this is maintained until the final message. In May 1973, Bunker was concerned about the "danger in the present political scene despite its surface calm", and, yet, he still declared resoundingly that "Vietnamization has succeeded" (pp. 858–59).

Like the memoirs of Bui Tin and McNamara, the *Papers* thus demonstrate the reverse of what they were intended to show. This was that with neither a popular political base nor the time to develop one, the American involvement in Vietnam could never have succeeded. No matter how one evaluates Bunker's performance, there was nothing he could have done to change the outcome of the war.

It is remarkable therefore that, in all three cases, the work does not define the war, the war defines it. Bui Tin's book is skewed by his revulsion for the victorious regime. McNamara's work is less complexly limited by the vanity of power. Bunker's is riddled with the illusions of high office. We not only see, then as now, how partial and limiting high office can be, but also, most interestingly, the inability of both the

Vietnamese and American governments to control the strategic course of the war.

Yet as a function of this same inability to comprehend the chaos, the fragmentary perspectives of these authors do suggest the main elements of the conflict: the hubris of American power and the unflinching feudalism of the Vietnamese regime. Both because Bui Tin experienced the effects rather than the formulation of U.S. policy, and because of his ambiguous relationship with the Vietnamese regime, the best way to integrate these elements into a global view of the war is then to return briefly to his *Memoirs*.

As previously indicated, there is a point in Chapter 3 where he momentarily forgets his modernism. At this point he has observed how under the impact of U.S. bombing, "factories collapsed, bridges were broken, roads torn to bits, schools and hospitals raised to the ground". Moreover, he has bared the hubris of U.S. policy in his conclusion that the Americans "aimed through their war of destruction to cause such enormous losses that their enemy would be brought to its knees". Finally, this leads him to reveal something quite close to the "feudal" nature of the Vietnamese regime. In Vietnam, he says, the forces of U.S. technology were doomed because "the enemy was poor and had little to lose" (p. 64).

Poverty and feudalism are not necessarily the same. But the poverty which was induced by the American war of destruction certainly helped to maintain the pre-modern or, for the purposes of this discussion, "feudal" nature of the Vietnamese communist regime. But even more than this, American destruction reinforced the forces of Vietnamese "feudalism". Despite his antipathy for the post-war regime, Bui Tin still acknowledges that the American military:

> inspired us to affirm our fundamental sense of nationhood ... At that time the leadership and the authorities were at one with the people in being morally and ethically dedicated. Therefore, the people were at ease. It was almost as if there were no thieves and no bribery" (p. 64).

In this ancient vision of the perfect order, or what is usually referred to in Confucian terms as "the great unity under heaven" (*thien ha dai dong*), we see the effect of America's Vietnam policy in the clearest possible terms. This was not merely to preserve, but more actively, to promote the regime it sought to destroy. As Bui Tin's falling-out with the regime in the 1980s indicates, it was only after the "victory" that widespread disenchantment with its corruption and incompetence set in.

Such is the global construction of the Vietnam War which a composite reading of the above three works most reasonably suggests.

NOTES

1. Hoang Van Chi, *From Colonialism to Communism*, with an introduction by P.J. Honey (London: Pall Mall, 1964). Hoang Van Chi came from a family of Confucian scholars who were unsympathetic to French colonialism. In the anti-French resistance war between 1946 and 1954 he made coins and printed paper money for the resistance. After the Geneva Accords, he left the Ho Chi Minh regime. *From Colonialism to Communism* was later published in Vietnamese as *Tu thuc dan den cong san*.
2. Tran Van Tra, *Ket thuc cuoc chien tranh 30 nam, Tap 5, Nhung chang duong lich su cua B2 thanh dong* (Ho Chi Minh City: NXB Van Nghe, 1982). Tra was, of course, the commander of the southern zone during the spring offensive of 1975, and his book offered such an independent account of that campaign — with flashbacks to others — that it was as promptly banned by the Vietnamese government as it was translated into English by the American CIA. Bui Tin criticizes Tra for understating the "massive" northern contribution to the final victory. However, he still reveals the frustration that motivated his own writing when he deplores the banning of Tra's work. According to Bui Tin, politicians who do not understand that "autobiography is a valid form of self-expression" are "ridiculous" (pp. 80–81).
3. Hoang Van Hoan, *Giot nuoc trong bien ca (hoi ky cach mang)* (Beijing, 1986). This work has not, to my knowledge, been translated into English. Hoang Van Hoan, a former Deputy President of the Democratic Republic of Vietnam (DRV), had fallen out with President Le Duan in the 1970s, and in 1979, around the time of the Sino-Vietnamese War, he defected to China with a death sentence on his head.
4. Truong Nhu Tang, *Journal of a Vietcong* (London: Jonathan Cape, 1986). Tang wrote this work in English with the assistance of David Chandoff and Doan Van Thoai. As far as I know there is no Vietnamese version of it. Tang was a high-ranking southern cadre who worked as a "Vietcong urban organiser" during the war and then, in 1976, preferred exile to the heavy-handed northern occupation of the south.
5. Another work that may be added to this list has not been translated into English: Kim Nhat, *Bong toi di qua* [The Shadow Falls], 3 vols. (Saigon: Hoa Dang, 1970–71). Kim Nhat was a journalist who wrote this work in close co-operation with one Vu Hung, whose memoir it turns out to be. Vu Hung had been a member of the Viet Minh who settled down to a peaceful life and law studies in Saigon after 1954. In 1962 he was then pressured to join the Viet Cong. Written with Vu Hung as narrator, the work tells the very interesting story of the 1287 days Vu Hung then spent in the "High Command" (*Bo ch huy toi cao*) of the National Liberation Front.
6. *The Pentagon Papers: The Defence Department History of United States Decision Making on Vietnam*, edited by Senator Gravel, 5 vols (Boston: Beacon Press, 1971).
7. In *In Retrospect*, McNamara writes that in June 1967 he ordered a Defence Department subordinate "to start collecting documents for future scholars to use". Tell your researchers not to hold back", he instructed, "let the chips fall where they may" (p. 280). As McNamara belatedly realized, the U.S. Administration was not formulating policy from the large store of knowledge it had available about Vietnam — from quite accurate CIA reporting and other sources. It was fighting blindly

on the self-fulfilling thrust of anti-communism sentiment. This is surely a comment on the nature of power. Yet it is also a mark of McNamara's liberal conscience that, having left the Johnson Administration in February 1968 when he realized he could no longer work with it, he was still trying to solve the problem in *In Retrospect* by letting the chips fall where they may.

8. Since the mid-1980s there has been widespread criticism of the government for failing to fulfil the promise of the propaganda they used to motivate the war effort. Some even argue that it was unnecessary to fight the anti-American war at all. While there is usually agreement that fighting the French was necessary, it is sometimes said that it would have been possible to negotiate with the Americans. As indicated, Bui Tin does not agree with this argument, which also seems naive to me. But it is worth noting that Bui Tin's *Memoirs* come from an era when widespread questioning of the government and the war was focused by the novels of such prominent writers as Duong Thu Huong and Bao Ninh.
9. Bui Tin knows this because he was ordered by General Le Quang Dao to write Nguyen Chi Thanh's false obituary for the press. In terms of the need for military security, General Daos' order is understandable in wartime. But it still leads to the fiction of Thanh's more heroic death.
10. General Van Tien Dung, *Our Great Spring Victory: An Account of the Liberation of South Vietnam* (London: Monthly Review Press, 1977). The original Vietnamese title was *Dai thang mua xuan.*
11. And when the mobilization of people and resources for a campaign of such protracted ferocity as Tet would have been impossible without a high measure of local initiative, combat planning, and support.
12. Henry Kissinger, *White House Years* (Boston: Little Brown and Company, 1979); and William C. Westmoreland, *A Soldier Reports* (New York: Doubleday and Company, 1976) are certainly quite dull. Meanwhile, apart from McNamara's, one of the few American non-fiction tales that really comes to life is Frank Snepp, *Decent Interval: The American Debacle in Vietnam and the Fall of Saigon* (Penguin, 1980). It tells of Snepp's time with the CIA in Vietnam. Tobias Wolff, *In Pharaoh's Army* (Picador, 1994) is a recent example of a number of readable memoirs by former American soldiers.
13. There is much writing on this decision which was based on the mindless proposition that there would be a popular non-communist government capable of replacing Diem's in Saigon. When the desired government did not materialize, official complicity in the coup and the death of Diem then left the U.S. government wedded more strongly than it might otherwise have been to the need to defend successive unpopular southern regimes.
14. We have known for many years that on 30 July and 4 August 1964 South Vietnamese commandos, backed by the CIA, made various raids into islands within Hanoi's jurisdiction in the Gulf of Tonkin. These raids were a part of an orchestrated, but not very effective, sabotage operation known in the CIA as Plan 34A. Meanwhile, on 31 July, two U.S. warships appeared in the Gulf of Tonkin on electronic surveillance missions that were known as the DESOTO patrols. Reports of Vietnamese patrol boat attacks on the U.S. warships on 2 and 3 August then provoked immediate U.S. retaliation and, more importantly, led Congress to pass the Gulf of Tonkin Resolution whereby President Johnson was voted unlimited powers to prosecute the war as he saw fit. Two important questions have thus been raised by critics of the U.S. government: were Plan 34 A and the DESOTO patrols linked? And did Vietnamese patrol boats actually attack the U.S. warships?

McNamara says that the first attack was "indisputable", the second one "probably" occurred, but was "not certain". More interestingly, however, he shows that the DESOTO patrols, whose role was to collect radio transmissions from southern China as well as Vietnam, simply strayed across the path of CIA-South Vietnamese sabotage operations. In other words, Plan 34 A and DESOTO were not connected or co-ordinated in the U.S. Defence Department — when they certainly should have been. The point is that each mission strayed across the path of the other but, understandably assuming they were linked, the government in Hanoi responded by attacking the U.S. warships, at least once. McNamara thus quotes another official who said that "Washington did not want the incident, and it seems doubtful that Hanoi did either. Yet each misread the other and the incidents happened (141)".

15. Very briefly, at the height of the war between 1965 and 1968, U.S. strategy revolved around the idea of intensive bombing and attrition in the ground war. The obvious problem which many understood at the time was that it was impossible to win a war of attrition when the enemy was able to decide when to fight and so control the rate of casualties. Meanwhile, given the agrarian nature of the Vietnamese economy and war effort, there was never any compelling evidence that bombing would break the northern capacity to wage war or to stop the flow of people and supplies from the north to the south. It was in fact McNamara's realization of this that mainly led to his break with Johnson in February 1968, although in that month the Tet Offensive was also taking its toll on U.S. public opinion.
16. McNamara mentions in *In Retrospect* that, in tandem with the inauguration of Operation Rolling Thunder and the escalation of the ground war, at least token attempts were made to open negotiations with Hanoi as early as 1965.

GREG LOCKHART is an Australian Research Fellow at the Australian National University.

Contemporary Southeast Asia, Volume 18, Number 3, December 1996

BOOK REVIEWS

Democracy and Development in Southeast Asia. **By Clark D. Neher and Ross Marlay.** Boulder, Colorado: Westview Press, 1995. 200 pp.

This is one of a number of new books dealing with the post-Cold War transition to democracy in developing states and the tensions and problems which surround this phenomenon. There is a real shortage of comparative and thematic textbooks on Southeast Asian politics in general, so at first sight this book represents a welcome addition to the dearth of cross-national material. The general themes deal with the political and economic transformation in the region and assessing the prospects for democratization. In the opening chapter, for instance, the discussion centres on the broad waves of democratization since the mid-1970s (identified by Samuel Huntington) that have had a significant effect on a global scale. Thereafter, democracy is defined for simplicity in terms of three aspects: citizen participation in choosing élites, competition between candidates for elective office and recognition by the government of citizens' civil and political liberties. The basic features of Western-style liberal democracy is contrasted with "Asian"-style democracy in an effort to illustrate whether or not and to what extent these societies are adopting such features. The latter style includes such features as Confucianism, patron–client communitarianism, personalism, authority, dominant political party, and strong state. The links between democracy and development have often been stressed by theorists in questions such as "does democracy promote or stimulate economic growth or vice-versa?" This, as we have seen, has had more than merely academic implications in the post-Cold War context of Southeast Asia in terms of policies.

Overall, the book is a useful, well-written guide for the beginner to some of the differences and similarities between states in the region. The two opening theoretical chapters are followed by country studies. However, there are certain problems which the reader should be aware of. One of the difficulties is the level of superficiality of the book, both in content and in analysing alternative theories which postulate links between these categories. Some of the chapters are too short. The authors devote one and four pages to Brunei and Laos respectively and yet in their conclusion tell us that Brunei is "integral to any analysis of democratization and development in Southeast Asia" (p. 189). Surely, Brunei and Laos warrant slightly more attention. There are four sources noted at the end of the chapter on Thailand, a country the authors argue is "more difficult to categorize than any other in Southeast Asia" (p. 29). In the introductory chapter, the authors tell us that they will "pay special attention to the results of pressure from the United States ... in the matter of human rights" (p. 9). And yet this is generally dealt with in less than half a page of text for each country. Moreover, there is little discussion of the international context outside the United States, which clearly reflects the authors' bias. What about the role of the European Community and disputes over labour rights? What about criticism from around the world over the East Timor issue and the difficulties that Britain had with Malaysia over the Pergau dam project. The impact of the leadership in many of these societies is also glossed over and this could have been dealt with more explicitly. These and a whole range of issues might have been explored to illuminate the international context of what some have seen as a "clash of values".

Another difficulty one has with the volume is the lack of other theoretical and substantive attempts to explain the tensions between democracy and development. The assumption appears to be that these states will inevitably be caught up in the waves of democratization at some stage or other and it assumes a fairly linear view of history akin to the partially discredited modernization theory. The reader should be directed to two other recent works which have produced different types of analysis. These are *Southeast Asia in the 1990's*, edited by Hewison et al., which analyses democracy and authoritarianism in the light of capitalism; and *Towards Illiberal Democracy in Pacific Asia*, by Bell et al., which is an interesting effort to reconceptualize the processes of democratization and its various problems in this part of the world while eschewing conventional Western political notions. The view that economic development necessarily prompts the middle classes to seek more democratic freedoms from authoritarian rulers has in effect been challenged by the latter volume.

Overall, there appears to be no direct correlation either way. Some countries that are regarded as high in terms of human development indices (HDI) are regarded as semi-authoritarian and authoritarian (Singapore and Brunei respectively), while others that are medium in terms of HDI (Indonesia and Malaysia) are regarded as semi-authoritarian and semi-democratic respectively. One finds it difficult to simply attach the label semi-authoritarian to Singapore and Indonesia in the same breath. Surely, there is a qualitative difference between a nation that has managed to provide for most of its citizens (Singapore) and one that has denied fundamental rights (the right of self-determination to East Timor), and labour rights in a society where wealth is skewed so dramatically.

Notwithstanding some of these difficulties and problems, the book is an informative one that should be read by undergraduates and those who want to gain an introduction to one of the world's most dynamic regions.

KENNETH CHRISTIE
Department of Politics
University of Natal, South Africa

***Secret Army, Secret War.* By Sedgwick Tourison.** Annapolis: Naval Institute Press, 1995. 313 pp.

Written by a former intelligence officer in the U.S. Army, and a staff member of the Senate Select Committee on POW/MIA Affairs, *Secret Army, Secret War* recounts what must rank as one of the most shameful episodes in America's involvement in Indochina. Between 1960 and 1968, the United States directed a series of covert military operations inside the Democratic Republic of Vietnam (DRV), during which 456 South Vietnamese "agents" were either captured or killed. The astounding incompetence displayed by the co-ordinators of this programme, and their subsequent betrayal of those imprisoned, almost defies belief. The first part of the book details the numerous attempts made to infiltrate teams of agents into the DRV, practically all of which ended in complete failure. Most teams were captured within days, if not hours, of being inserted into the north. Often, troops from the North's public security force would be waiting at the designated drop-zone. If the radio operators within the teams were then persuaded to come under Hanoi's direction, they then began to transmit bogus reports back to Saigon, sometimes for extended periods of several years. In some cases, support teams were then sent into the DRV, at the behest of such bogus transmissions, resulting in immediate capture.

Tourison traces the genesis of this operation back to the early 1950s, when the French organized a series of Vietnamese agents to "stay behind" in North Vietnam, after the division of the country in 1954. This activity continued until late 1956, when contact with all of the "stay behinds" was suddenly lost, presumed captured. (One such agent operated a fireworks factory, which sadly blew up, prematurely ending his utility.) However, having recorded some success in inserting and retrieving civilian spies in the late 1950s, the United States made a decision in 1960 to upgrade this effort to include paramilitary teams of armed agents. The aim was to "inflict some level of discomfort on the North that paralleled the North's subversion in the South" (p. 37), and perhaps thereby try to deter an escalation of the conflict. Given the speed at which the inserted teams were captured, in retrospect it is abundantly clear that the entire project was hopelessly penetrated by Hanoi spies, and that most agent insertions were compromised from the outset. Apparently, the dire need for counter-intelligence activities in support of this covert project was wholly ignored. For those agents being sent on missions in the latter stages of the project, the fact that no previous team had returned was explained away as evidence that the earlier missions "were still doing their job up North" (p. 162). But to believe that such covert operations could continue for years on end without capture by an extensive and rigorous internal security apparatus, as was then operating in the DRV, is hard to comprehend. In a bid to understand this apparently nonsensical approach, Tourison speculates whether the project's planners did indeed know that almost all the inserted teams were being captured, and their radio operators "turned", but continued with the project in a bid to find out what misinformation Hanoi wished to impact. "Were they [the U.S.] playing with the North Vietnamese by continuing to send in teams in hope of discovering their plans and intentions?" (p. 169).

Far from daunted by the high failure rate of these covert missions, by 1962, the furious pace at which teams were inserted into the DRV meant that "Pentagon researchers were later unable to reconstruct precisely where and when every team landed" (p. 81). Tourison argues that the reason for this stubborn refusal to accept that the project was a failure was simply a need by U.S. planners to believe that the project was a success — a form of extreme cognitive dissonance. To concede that the project was not working was an undesirable conclusion, and therefore not entertained. At the time when responsibility for the project was passed from the CIA to the Pentagon in 1964, faith in the project revolved around five teams believed to be active in the north. Yet all five teams were transmitting bogus reports, having been captured and their radio operators "turned". When the Pentagon took charge of the operation, it found "a number of so-called agents who were not qualified for anything ... [despite having] been on the payroll for a good number of years" (p. 126). Unable to release them from the operation, fearing that they would reveal details of the project, they were inserted into North Vietnam with the assumption that they would probably surrender at the first opportunity. At about this time, the objectives of the project changed markedly, from being one of "sending a message to Hanoi to reduce its infiltration into South Vietnam" (p. 123), to one of monitoring DRV troop movements into northern Laos. Tourison firmly asserts that the project became part of a bid to "protect the CIA's efforts in Laos, not, as the president was led to believe, to retaliate against Hanoi for its infiltration of agents into South Vietnam" (p. 313). Not only was the project conducted improperly, its motives also became somewhat dubious.

The latter half of the book attempts to depict the grim prison experiences of the South Vietnamese agents, from their capture in the 1960s to their eventual release in the 1980s. Apparently reluctant to pay the relatives of these agents the monthly salaries owed to them, as formally agreed if they should be taken prisoner, American officials told the families that the men were dead, even though they suspected — and sometimes knew — they had been captured. Quoting an army colonel, Tourison explains how the U.S. military phased out the salary payments of captured agents "by declaring many of them dead each month until we had written them all off (paid them) and removed them from the monthly payroll" (pp. 171–72). In a bid to justify this action, a former South Vietnamese officer explained that "when and if they got back, they would get all their back pay .... Unfortunately, no one ever thought we would lose the war" (p. 173). For the prisoners, too, news of the remarkably sudden collapse of South Vietnam was hard to comprehend, and it was not until 1977 when they met former officers of the South Vietnamese army in a labour detail did they accept the truth.

In the 1973 debriefing sessions held for returning American prisoners of war, the plight of the South Vietnamese prisoners was completely ignored by the United States, and their names were not included in lists of people that Washington submitted to Hanoi as those unaccounted for, and in whom the United States had an interest. It seems that they had been conveniently forgotten. Most of the prisoners were eventually released between 1979 and 1982, with the last being freed in 1987. Sadly, some ethnic Hmong agents, who had been inserted in 1962, and who had no home to return to, died in prison more than thirty years after their capture. To add insult to injury, some of the survivors of the ill-fated project who were released from prison camps in northern Vietnam long after the country had been reunified, are currently being rejected by the U.S. Immigration and Naturalization Service (INS) in their applications to emigrate to America. According to Tourison, the reason given is that the INS does not believe that these men spent a sufficiently long period of time in prison after 1975 to warrant resettlement; all imprisonment prior to the fall of Saigon is automatically discounted.

NICK J. FREEMAN
Institute of Southeast Asian Studies
Singapore

***An Emerging China in a World of Interdependence.* By Yoichi Funabashi, Michel Oksenberg, and Heinrich Weiss.** New York, Paris and Tokyo: The Trilateral Commission, May 1994. 84 pp.

This is an engaging book touching upon a topic of obvious interest, that is, the rise of China and its implications. Both China specialists and general readers will find much to enjoy and the book should be recommended.

The book is actually a report prepared for the Trilateral Commission (formed in 1973 by private citizens of Western Europe, Japan and North America), based on the discussions at the Commission meeting in Tokyo in April 1994 after consultations with a group of prominent scholars, officials and China watchers from various countries. The choice of the three authors reflects a relatively balanced view of scholars from Western Europe, Japan and North America.

The report takes the view that China's trajectory to date suggests it will emerge as a complete and comprehensive power and this rise challenges the traditional concepts about rising power — that is, in the past, rising powers controlled their boundaries, had minimal social unrest, and had settled institutional arrangements. China's rise, especially in the years immediately after the Tiananmen incident of 1989, however, is occurring under conditions of uncertainty, social instability — a nation which is politically unsettled, culturally proud, economically dynamic, and territorially amorphous. These qualities have not co-existed in previous rising powers.

The report charts a course of strategy for the Trilateral countries in dealing with China's rise. It considers China's rise more an opportunity than a threat (p. 4), and recommends a wide range of economic, strategic, and political actions that would facilitate China's involvement in the world community. At the same time, it also warns the Trilateral countries not to harbour unrealistic hopes for China (p. 4).

This strategy entails from positions of strength, weaving China into webs of economic interdependence, engaging China in the global economy and in multilateral security arrangements, maintaining frequent extensive high-level dialogues with Chinese leaders, and recognizing the important roles that non-governmental organizations (NGOs) and the private sector must play in integrating China into the world community. The positions of strength include a forward-deployed American military presence, vibrant Japanese-American and Korean-American military alliances, the continued prosperity and stability of Taiwan and the ASEAN states, and the development of regional and sub-regional organizations and processes in which China is involved.

In the chapter "China in Historical Perspective", the authors highlight "four misconceptions" in the understanding of China's past. First, Chinese culture is not simply a lineal descendant of the Han people who settled in the Yellow River and spread from there. It is an amalgam of the powerful Han culture (and many indigenous civilizations which the Han absorbed as they spread across China) and the foreign civilization which swept across China. Secondly, the deference that many rulers on the periphery exhibited was more symbolic than real and they were prepared to indulge the Chinese emperor as long as he did not interfere in their internal affairs and came to their assistance if they faced unmanageable opposition. Thirdly, merchants and artists were politically more influential than the national myth would have it. Fourthly, Chinese commerce with the outside world in the past was not confined to officially sanctioned trade as the myth suggested.

Considerable unreported commerce occurred with the connivance of local officials, especially along the coast. The authors point out that these four misconceptions of China's past have become part of popular Trilateral misconceptions about China.

In discussing "Mainland Domestic Politics", the authors outline continuities and discontinuities, certainties and uncertainties and warn (with the 1989 Tiananmen incident in mind) that the leaders of the Trilateral countries must not overreact and conclude that social unrest (one certainty in the authors' view) is an indication of government failure. The authors take the view that despite political uncertainty, Chinese economic prospects over the long-run appear bright.

In discussing the notion of "Greater China", the authors note that the international community must be careful not to exaggerate or distort the political importance of this economic dynamism and integration. "Greater China" is not likely to become a single political entity. The Trilateral countries do not confront the rise of a cohesive, co-ordinated, and conspiratorial entity. In a subtle reference to U.S. arms sales to Taiwan, the report warns that such sales must be carefully calibrated and not made for domestic economic or political purposes as they may have negative consequences.

In the chapter "The Chinese Economy: Regional and Global Dimensions", the report delves more deeply into the policy issues associated with China's economic growth and entry into the international economy, such as its exports, import strategy, technology transfer to China, direct investment, and the most-favoured-nation trading status with the United States, where the report recommends "a one-year renewal in expectation that China will continue to make progress in its adherence to internationally-accepted basic human rights" (p. 45). The report also discusses ways of integrating China into regional and world organizations such as APEC (Asia-Pacific Economic Co-operation) and GATT (General Agreement on Tariffs and Trade).

In the chapter "China's National Security", the report examines the military and security dimensions of China's emergence as a great power. What are China's security needs and aspirations? How will China's growing role as an arms supplier affect the international order? What positive contributions might China make in reshaping the regional and global order in the post-Cold War era?

The chapter on "The Effective and Good Governance of China", outlines how the Chinese think about governance and the implications of political reform. It notes that China is a distinctive yet complex civilization. It is therefore unreasonable to expect China to be governed in the same fashion as Japan, North America, or Western Europe. It recommends that Trilateral countries approach China with a sense of respect and understanding of its political traditions, rather than disdaining and seeking to transform those traditions to accord with Western values.

The concluding chapter summarizes and draws together various recommendations for the Trilateral countries. It recommends engaging, not containing, China, and puts emphasis on co-operative and multilateral action.

On the issue of economic integration, the report recommends encouraging China to become a member of GATT/WTO as rapidly as possible by agreeing to GATT rules. It also favours a loose linkage between economic ties and political reform, long-term investment and the building of APEC.

On security issues, the report recommends greater transparency, and building on regional and sub-regional security groups, such as the ASEAN Regional Forum (ARF). It also suggests a focus on non-proliferation, encouraging responsible military behaviour, avoiding provocative action towards China, maintaining the U.S.-Japan Security Treaty, and building military-to-military contacts.

On the global issue, the report recommends focusing on non-proliferation, using foreign aid to guide behaviour and promoting information/government exchanges.

On the issue of good governance in China, the report recommends adopting multilateral as well as bilateral approaches, working through international and non-governmental organizations, to encourage China to participate in institution-building and to engage in cultural and educational exchanges.

As this report is policy-oriented in nature, excessive attention is given to policy recommendations to the Trilateral countries on what they might do with a rising China. The report is best read as a summary of the views of not only the three authors but also, perhaps, a long list of prominent China specialists and foreign affairs officials of the Trilateral countries, as listed in the front of the report, who were consulted for the report.

The report covers a wide range of current issues about China that will be of interest to readers. Its policy recommendations are comprehensive and liberal, and the analysis is thoughtful. The authors certainly should be congratulated for this successful endeavour.

As the authors are also correctly aware, even if all the recommendations are carried out to the letter, there can be no guarantees made about China's future. Indeed, the temptation most to be avoided is to slip into the belief that anyone outside China could determine its future. Any ganging up on China, instead of engaging China into an interdependent and mutually beneficial world, would most likely backfire.

SHENG LIJUN
Institute of Southeast Asian Studies
Singapore

3

Entered in Database
Signature with Date
3/5/08